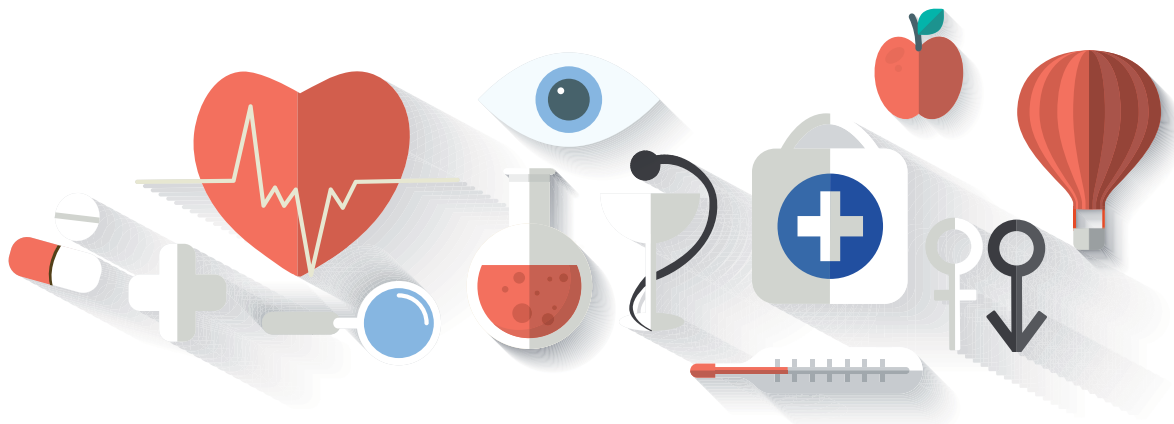




Polpharma Group

Corporate Social Responsibility
Report 2013–2014



Ethics, Innovation, Partnership

CSR HISTORY
OF POLPHARMA GROUP

2015	Drawing up of the Polpharma Group Supplier Code of Conduct and initiation of the implementation process
2015	Publication of the first university textbook on following medical advice by patients correctly in Poland by the Polpharma Scientific Foundation
2015	The 80th anniversary of Polpharma. On that occasion, Polpharma is holding the POLRUN relay – a unique race where more than 700 employees cover a 960 km long route, owing to which the company sends 524 children from Children's Homes in 4 provinces to summer camps
2015	Development of the new corporate social responsibility strategy of Polpharma Group for the years from 2015 to 2018
2015	Signing of the Diversity Charter
2015	Award of the CSR Golden Leaf by Polityka weekly
2015	Third place in the Responsible Business Ranking and title of industry CSR leader in the Pharmacy & Medicine category
2014	Contributing to the establishment of the Ethics Officers Coalition under the auspices of the Global Compact Initiative of the UN Secretary-General in Poland
2014	Completion of the first milestone in the development of the Ethics Programme Adoption of the Polpharma Group Ethics Programme
2014	The first stakeholder panel in the history of the company held as a voice in the planning of the new CSR strategy
2014	Signing of the Declaration of Polish Businesses for Sustainable Development during the launch of the 3rd stage of Vision 2050 – the New Agenda for Business in Poland
2014	Joining, as a partner, the Development Initiatives Forum (FIR) and the FIR Grants Fund, with the objective to develop intersectoral cooperation in Pomerania
2014	Social Campaign of the Year 2013 award for the Pressure for Life campaign
2014	Employee-Friendly Employer Award received from a jury chaired by Piotr Duda, head of the National Commission of the NSZZ Solidarność trade union
2013	Publication of the first Corporate Social Responsibility Report in line with GRI guidance
2013	Launch of the Polpharma Group Employee Volunteering Programme
2013	Launch of the Get Ready for a Shock (Przygotuj się na wstrząs) campaign to educate about anaphylaxis and anaphylactic shock
2013	Joining the Responsible Business Forum, a strategic partnership
2012	Launch of Pressure for Life (Ciśnienie na życie), the largest education campaign in Poland on hypertension
2012	Implementation of the Let's Go Cycling (Wszyscy na rowery) programme to promote bike commuting
2012	The first edition of the Stop Accidents Programme (Stop Wypadkom) which promotes proactive employee safety attitudes and encourages reporting of near misses
2011	Establishing cooperation with the European Blood Donor Foundation, where part of revenue from the sale of one of Polpharma's products supports the Krewniacy (Blood Relatives) campaign promoting voluntary blood donation

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ABOUT THE REPORT

This publication is aimed at meeting our commitment to deliver cyclical reports on CSR topics in accordance with international Global Reporting Initiative guidelines. The report covers our performance between 1 January 2013 and 31 December 2014 across all Polish companies and manufacturing divisions of Polpharma Group (for more information see pp. 2 and 3). It is noteworthy that we declared our intention to report on an annual basis in the previous Report (published in December 2013). However, considering the complexity and the long duration of key projects (which often take years to complete), such as the preparation of the Ethics Programme, we have decided to publish reports every two years, to give an exhaustive account of our actions and outcomes.

The CSR indicators provided in the Report cover the period from 2013 to 2014, however due to the timing of reporting work (second half of 2015) and significant events finalised in 2015 (such as the CSR report, entry into force of the Code of Ethics and Polpharma Group Supplier Code of Conduct, etc.), the report contains some additional information on events which occurred in 2015.

The report has been prepared in accordance with the G4 Core Global Reporting Initiative guidelines and has undergone an external review.

No significant limitations as regards the coverage of the Report were noted during the preparation of the Report.

The Report is based on information retrieved from Polpharma Group's internal systems. No significant changes were observed in the reporting period.

GRI Guidelines were used to define the content of the Report. The company's stakeholders were involved in the process of selection of the topics covered by the report during a special panel meeting (for more information, see page 10).

Should you have any opinions or questions regarding the Report, please contact
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email: magdalena.rzeszotalska@polpharma.com

POLPHARMA GROUP

We are the leading drug manufacturer in Poland and one of the largest groups of pharmaceutical companies in Central and Eastern Europe. We are one of the top twenty generics companies globally. For 80 years, our overarching objective has invariably been to serve patients and the community, in accordance with our motto which is "People Helping People".

KEY FACTS

-  Leading Polish manufacturer of drugs and pharmaceutical substances
-  Polish market leader in terms of sales volume and value
-  80-year track record
-  7 manufacturing plants (of which 5 in Poland)
-  7 R&D centres (of which 4 in Poland)
-  About 7500 employees (of whom 4224 in Poland)
-  **PLN 1952 million in revenue*** from Polish operations in 2014
-  **643 products**** across the Group's portfolio, including **346 products** offered on the domestic market and exported by Polish companies
-  More than **PLN 560 million** invested in fixed assets and R&D in Poland in 2013 and 2014

* Revenue information is retrieved from Polpharma Group consolidated accounts for 2014. Revenue from Polish operations is calculated by means of eliminating revenues generated by companies operating outside the territory of the Republic of Poland from the Group result.

** As at December 2014

CORE PRODUCTS AND SERVICES

Prescription drugs
OTC drugs
Medical devices
Dietary foods for special medical purposes
Cosmetics
Food supplements
Biologics
Pharmaceutical substances

B2B MARKET:

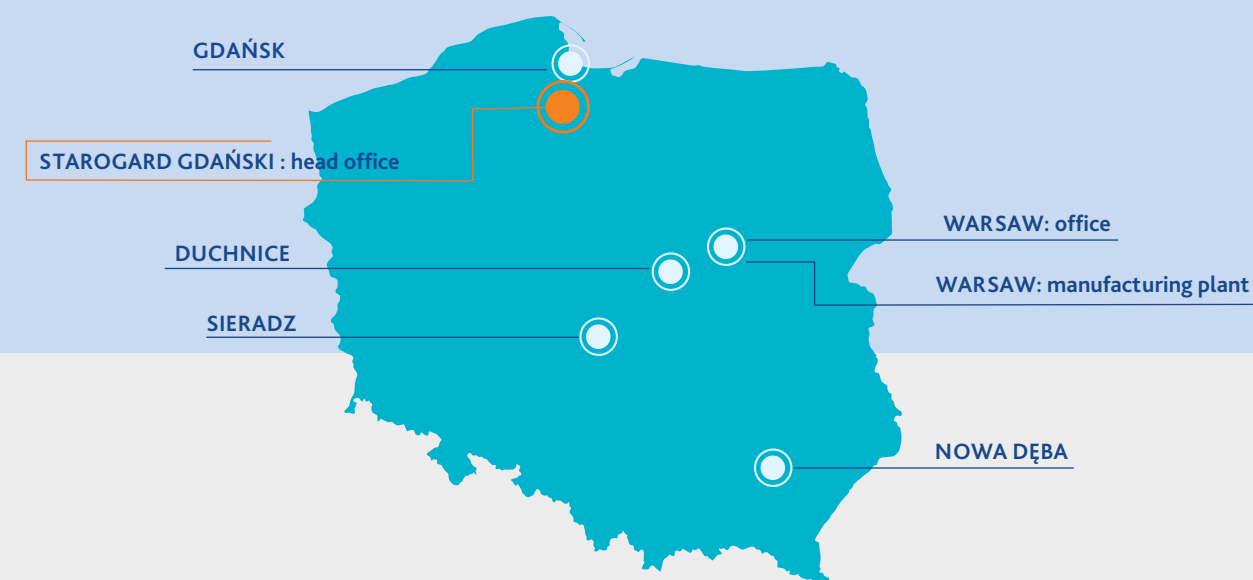
Licensing of Polpharma Group products
Selling substances to other pharmaceutical groups
Contract manufacturing services

POLPHARMA GROUP COMPANIES AND DIVISIONS IN POLAND COVERED BY THE REPORT

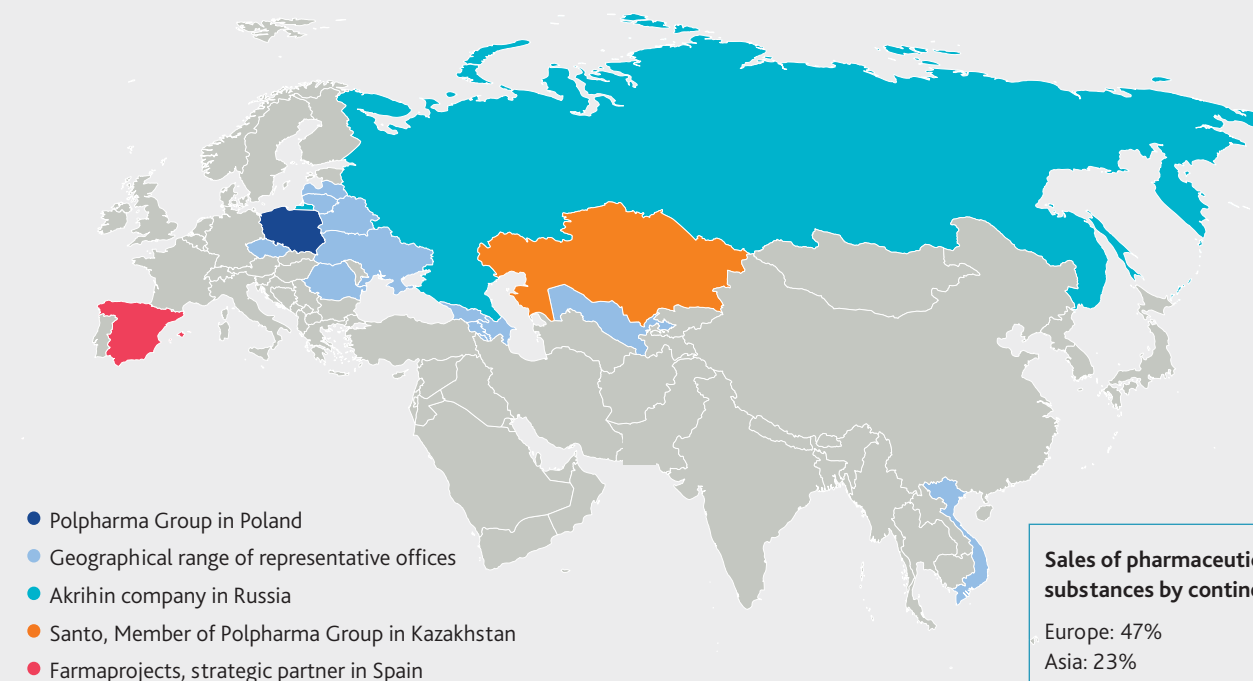
- Polpharma S.A. Pharmaceutical Works in Starogard Gdański*
- Polpharma S.A. Pharmaceutical Works, Biotechnology Division in Gdańsk
- Polpharma S.A. Pharmaceutical Works, Manufacturing Division in Duchnice
- Polpharma S.A. Pharmaceutical Works, Manufacturing Division in Nowa Dęba
- Polpharma Trade Office Sp. z o.o. in Warsaw
- Polfa Warszawa SA in Warsaw
- Medana Pharma SA in Sieradz

* Polpharma S.A. Pharmaceutical Works are the sole or majority shareholder in other Polpharma Group companies in Poland

POLPHARMA GROUP'S LOCATIONS IN POLAND



POLPHARMA GROUP'S LOCATIONS ABROAD AND MAIN MARKETS FOR MEDICINES



Polpharma Group customers on foreign markets include drug distributors (in the case of medicinal products) and other pharmaceutical companies (in the case pharmaceutical substances and B2B services)

Sales of pharmaceutical substances by continents

Europe: 47%
Asia: 23%
North America: 23%
Africa: 5%
South America: 2%

INTRODUCTION



JERZY STARAK,
CHAIRMAN
OF THE SUPERVISORY BOARD
POLPHARMA SA

This is your second report. What key CSR accomplishments can Polpharma Group boast since its last CSR report?

The previous report was published in late 2013 and it only covered two companies: Polpharma S.A. Pharmaceutical Works and Polpharma Trade Office, as well as the Manufacturing Division in Duchnice. In that report, we declared that we would start applying the same standards to all Polpharma Group companies in Poland and abroad. We are gradually implementing a common approach to various CSR issues, partly because of our Ethics Programme, which covers the entire Group, but also owing to some other important initiatives. The current report demonstrates progress in relation to the previous publication, disclosing GRI indicators for our four companies and three divisions in Poland. The creation of the Polpharma Group's Corporate Social Responsibility Strategy has been a significant achievement lately, which has structured and prioritised our actions. The key pillars of our strategy are: serving the patients and the community, ethical business conduct and innovation and advancing knowledge. We have grown in all those key areas, developing our standards on our own. The success of our efforts is evidenced by our first rank in the medical and pharmaceutical business category and third rank in the general classification of the Responsible Business Ranking 2015. This shows us that Polish businesses should not feel inferior to global companies where the CSR concept caught on many years before, and it is also an important commitment to keep improving our activities.

How important is the Ethics Programme to Polpharma Group?

Establishment of the Ethics Programme confirms that we are a trustworthy company which operates based on respect for the law, applicable procedures and highest standards of conduct. Further, it reflects our responsibility as a pharmaceutical company whose products influence patient health and quality of life. The Programme promotes a strong and coherent culture of ethics across the Group, with shared ethical values which guide us and

underpin all our activities. The engagement of almost 2,000 employees in the development of the Ethics Programme and consultation of the provisions of the Code of Ethics was extremely important to us, reflecting the significance of the process for our organisation.

What key challenges have been faced by pharmaceutical companies within the last three years?

Apart from product and service innovations, the growth of the pharmaceutical sector warrants the continued modernisation of manufacturing facilities and investments in new manufacturing areas. This is more and more challenging due to, among other things, frequent legislation changes at the national and international level. In addition, over the last years, we have been witnessing the progressive consolidation of the global pharmaceutical industry, which makes it difficult to compete on the market for smaller players, without significant economies of scale. Additionally, the economic pressure from governments and healthcare systems has forced businesses to look for savings and new ways to improve performance. Also health care itself is changing at a rapid pace. Therapy is becoming more personalised and patient-specific, and ICT solutions are more and more common in diagnostics. Along with demographic change, low fertility rates in women and more effective treatments for many diseases, the population is ageing. The demand for products and services for seniors in developed countries has risen, posing a challenge to entire economies. The role of biologics in the treatment of serious illnesses has increased, as they are more effective and have less side effects. They will become even more significant with the launch of new, cheaper follow-on biologics. Already today, 7 out of 10 bestselling drugs in the world are biological products. However, their development entails a high risk and immense investments.

Against the backdrop of those challenges, what is your view on the corporate social responsibility of pharmaceutical companies?

The biggest responsibility pharmaceutical companies have towards the community is to

maximise access to effective and safe treatment. In the context of the recent problems with the availability of important drugs in Poland, we should speak up about the need to ensure the pharmaceutical security of the country. Pharmaceutical security must be guaranteed by the local pharmaceutical industry which prioritises the Polish market and is able to ensure continued supplies in case of manufacturing problems or a political and economic crisis. Access to treatment additionally means offering a wide range of innovative products at affordable prices. This is also the domain of domestic generics companies, with Polpharma as the leader. The cost of treatment is particularly important in the case of biologics, which are too expensive for the average Polish patient. For that reason, we have decided to develop less expensive follow-on biologics which will allow more patients to afford the treatment.

What are the key challenges and objectives ahead of Polpharma Group in the short term (1 year) and in the long term (3 to 5 years) in the context of the announced CSR Strategy?

The key challenge we intend to face in the long term is to maximise the potential of science, our own intellectual and technology resources and third party financing, such as EU funds, to deliver innovative solutions that improve the efficacy of treatment and, consequently, the quality of life for patients. Those solutions involve not only new products, but also developments to existing ones, aimed at improving following medical advice by patients correctly. Non-compliance is one of the main barriers to the effective delivery of therapies, which is stressed by the World Health Organisation. Although the Polpharma Scientific Foundation has been giving publicity to this subject for a long time, there is still much left to do. We hope that a university textbook published on the initiative of our Foundation will contribute to a greater awareness of that subject by medicine students and will help alleviate the problem of patient non-compliance. Additionally, we

want to proactively reach out to patients with education and engage in the right programmes to achieve a genuine change in health attitudes of the Poles in the long term. In the short term, we intend to focus on continued reinforcement of the culture of ethics within our company through active communication and education of our employees, both in Poland and in our foreign companies. Our challenge for the upcoming year will be to implement a sustainable supply chain strategy, a difficult process which requires some additional action from certain suppliers. However, we are glad that many of our partners understand the need to raise our standards and see it as a business opportunity.

What do Ethics, Innovation and Partnership mean to Polpharma Group, as the key themes and prime considerations of the report?

Those features describe the initiatives we undertake. In our business, we are guided by ethical values and certain standards of ethical conduct. We implement innovative solutions in all business areas in order to continuously improve our organisation and to better serve the patients and the community. We believe that the best results are obtained through partnerships and collaboration rather than working alone. Therefore, we unite a range of players around important objectives to maximise our motto "People Helping People".

ETHICS, INNOVATION AND PARTNERSHIP

Ethics, innovation and partnership are the key themes that align our action across a range of areas. We are convinced that the interpenetration of those features makes us, as a company, ready to face the today's challenges of the pharmaceutical sector in Poland and globally.

ETHICS – shared ethical values and agreed rules of ethical conduct support us in the reinforcement of our business position while keeping to the highest standards and adding value to all stakeholders.

INNOVATION – aside from developing innovative drugs, we improve every aspect of our operations every day to better serve the patients and the community.

PARTNERSHIP – we integrate different people and entities who do care about sustained positive change around important health, scientific, social and economic objectives.

1. THE CSR STRATEGY

We have been on the market for 80 years and we respected the rules of corporate social responsibility when no one had even used the CSR acronym yet. We have intensified our efforts in this field after the year 2000, when our company was privatised relying on Polish capital. For the last decade and more, we have been proving that it is worthwhile to act in line with the principle of sustainable development, balancing business objectives and interests of stakeholders: employees, patients, the medical and scientific community, customers, suppliers and local communities (for more information, see the CSR background of Polpharma Group on inside covers).

In 2014, we made a decision to put more structure into our CSR initiatives. Starting

to work on the Polpharma Group's Social Responsibility Strategy in the second half of 2014, we were mainly looking for the answer to the question how to better respond to stakeholder needs while developing our business activities based on a system of values. Key stakeholders and decision-makers responsible for our most important business areas took part in the time-consuming process of strategy development.

We selected three key pillars of social responsibility: serving the patients and the community, ethical conduct of business and innovation and advancing knowledge. Within those three intertwined areas, we made 14 commitments which we intend to pursue until 2018.

I am happy that after many years of implementing projects and measures in individual CSR areas we have managed to structure our approach and assign strategic priorities to our actions. We realised that it was a tough process already during the stakeholder panel meeting, where we had the opportunity to see the very different expectations of medical and business communities or social organisations during the hours spent on discussions. It is my personal satisfaction that we have managed to create a long-term framework for our CSR activities, in which we have formulated specific commitments to the community and the actions to implement by 2018. I can see already today how much the strategy has influenced our



Magdalena Rzeszotalska, Corporate Communication and CSR Manager, Polpharma SA

company, for example in the procurement area, where we have launched efforts to draw up the Polpharma Group Supplier Code of Conduct. The strategy development process engaged all key business functions in CSR activities, owing to which today we are able to involve fully informed managers in the implementation process, people for whom CSR objectives are an important aspect in all operating areas.

The resulting Polpharma Group's Social Responsibility Strategy corresponds to the long-term challenges faced not only by the pharmaceutical industry, but also by the Polish economy as a whole. Our strategy has a lot in common with such important documents as Vision 2050 – the New Agenda for Business in Poland and the associated Declaration of Polish Businesses for Sustainable Development (we are one of the signatories of the Declaration and we participate in working groups in connection with successive stages of Vision 2050).

We also used the social responsibility guidance provided in the international standard ISO 26000 as a reference.

OUR COMMITMENTS TO THE SOCIETY POLPHARMA GROUP SOCIAL RESPONSIBILITY STRATEGY



We learnt about social responsibility and business ethics in Poland from the global perspective. Relevant standards came to us from the headquarters of the biggest multinational corporations. CSR was an imported product that originated from a completely different environment and stemmed from a long-standing tradition of well-established democracy and mature markets. Although imported products had been highly esteemed in Poland, few people believed that standards of ethical corporate culture could be developed within the Polish private business community. Therefore, Polpharma is an interesting case for everyone who will ever research the evolution of ethics and responsibility in Poland. We all agree that CSR is a particular reflection of business maturity. Responsibility does not become important until a certain stage of business development is achieved, like in the case of personal development, where the sense of social

responsibility, responsibility for others, grows decidedly when one's children are born. Few private companies in Poland have managed to reach the stage where they would acquire major companies from other markets and integrate them into their groups. Polpharma has recently managed to definitely improve the quality of its comprehensive CSR management system, which is evidenced, among other things, by the title of industry CSR leader in the Responsible Business Ranking 2015, perhaps because it has had no option but to maximise the public good. How could we not set a good example when we already have 'children'.



Professor Bolestaw Rok,
Director of the Business
Ethics and Social
Innovation Centre at
the Kozminski University

2. MATERIALITY ANALYSIS

The culture of openness to stakeholder needs, which has been developed for years, supports multifaceted long-term cooperation and delivery of solutions to tackle the most relevant topics for particular stakeholder groups. We consider the analysis of materiality of the topics brought forward by internal and external stakeholders to be a very important process, as it allows us to prioritise the topics and – indirectly – to actively engage the stakeholders in the definition and implementation of CSR strategies.

The topics were identified using a staged approach:

- drawing up a list of topics specific to the pharmaceutical industry,
- analysis of the company's business operations to date,
- inclusion of stakeholders in the identification of key subjects,
- developing a list of subjects of particular importance to Polpharma.

The Responsible Business Forum is extremely satisfied with its cooperation with companies that have a mature and strategic approach to the implementation of corporate social responsibility. Polpharma is an example of a company which places a lot of emphasis on social and environmental considerations, combining its 80 years of tradition with an innovative business approach. The development of the CSR concept seen in Polpharma further serves as a proof that Polish companies are able to compete against international corporations in this field and should not feel inferior to them. The important issues tackled by the company include health education, such as its Pressure for Life (Ciśnienie na życie) campaign which attracted a lot of interest during the CSR Expo in 2014. Polpharma pays considerable attention to the development of the Pomeranian region, engaging in a number of initiatives and activities as the CSR Ambassador in Pomerania. The local activities demonstrate how important the issues of community involvement are for the company. It is also noteworthy to highlight the importance of Polpharma's employees in its CSR strategy. Diversity at work is an element of the management process, and the complexity of actions confirms that the employees are the company's greatest asset.



Marzena Strzelczak,
General Director,
Member of the
Management Board
of the Responsible
Business Forum

THE MATERIALITY PROCESS

1

Selection of topics

The list of topics was created relying on:

- Internal policies and strategies
- Previous corporate reports
- Peer CSR reports
- Industry hot topics – research and rankings, trends
- Topics discussed by the media

2

Prioritising

Stages of the process:

- Preselection (the current list)
- Analysis by the CSR Team
- External stakeholder panel
- Matrix preparation

3

Conclusion

- Final approval of the matrix

MATERIAL TOPICS SELECTED IN THE ANALYSIS PROCESS

KEY TOPICS FOR EXTERNAL STAKEHOLDERS	KEY TOPICS FOR INTERNAL STAKEHOLDERS
Availability of treatment	Health education
Education on health and medicines	Promotion of healthy life styles
Promotion of healthy life styles	Code of ethics and values
Community involvement, cooperation with social partners	Equality and diversity
Code of ethics and values	Communication with employees
Marketing and advertising ethics	Employee learning and development
Quality of raw materials	
Product safety	
Strategic environmental management	
Sustainable supply chain	
Scientific cooperation with research institutes	
Cooperation with the medical and pharmaceutical community	

3. STAKEHOLDERS

Social responsibility is not an end in itself. Its most important role is to ensure that the company considers the needs and expectations of internal and external stakeholders in its business. To remain faithful to this philosophy, we need to maintain relations with a wide range of stakeholders, which gives us a better understanding of the complexity of our environment and allows us to include relevant groups and entities in our activities. This dialogue can take a number of forms: direct meetings with stakeholders, leveraging the experience and knowledge of external advi-

sory boards or memberships in associations and organisations. We have been relying on the model of close win-win cooperation with stakeholders for years, recognising its numerous advantages. Feedback from our business environment has more than once inspired us to implement organisational changes and to create new solutions owing to which we are well-equipped to address future challenges and opportunities.

MEMBERSHIPS IN ASSOCIATIONS

We seek to actively participate in the activities of various organisations and associations to share our knowledge and experience, and – through joint action – to maximise the social effects of our activities. We are members of such organisations as:

- EGA European Generic Association
- Polish Association of Pharmaceutical Industry Employers (PZPPF)
- Polish Association of Self Medication Industry (PASMI)
- Business Centre Club
- Polish Confederation Lewiatan (through PZPPF)
- Polish Business Roundtable, with the participation of Jerzy Starak, Chairman of the Supervisory Board of Polpharma SA
- Programme Board of the Polish National Sales Award, which promotes ethical selling principles, etc. (Rajmund Ireneusz Martyniuk, Vice President of the Management Board of Polpharma SA is a member of the Programme Board)
- Ethics Officers Coalition (a project under the Global Compact Initiative of the UN Secretary-General (member of the initiative group)

- London Benchmarking Group (LBG)
- Responsible Business Forum (strategic partner)
- Declaration of Polish Businesses for Sustainable Development linked to Vision 2050 – the New Agenda for Business in Poland (signatory and member of sustainable manufacturing and consumption working group and social innovation working group)

STAKEHOLDER PANEL

Stakeholder dialogue is an important form of cooperation between a business and its environment, and an expression of maturity in CSR strategy management. Therefore, preparing ourselves for the development of a new CSR strategy, we organised a stakeholder panel in November 2014. The goal of the meeting was to listen to insights from groups that are important to our business on relevant topics which should be covered by our CSR strategy. Several hours of discussions with representatives of various organisations helped us notice a range of new aspects and dimensions of corporate social responsibility. We have taken many of them into consideration in the preparation of the new strategy.

For the purposes of the dialogue, we identified key stakeholder groups and their representatives, and then, considering their importance and influence on the company, we selected the most important stakeholders and invited them to a dialogue session.

The panel for external stakeholders was attended by representatives of:

- UN Global Compact in Poland
- Polish Confederation Lewiatan
- Polish Association of Pharmaceutical Industry Employers
- Polish Association of Self Medication Industry (PASMI)
- Main Pharmaceutical Inspectorate
- Supreme Pharmaceutical Council
- Polish Pharmaceutical Society
- Polpharma Scientific Foundation
- academic community
- practising profession
- drug distributors
- Ministry of the Economy
- WWF
- patient organisations
- Łukasiewicz Institute, which promotes awareness of demographic challenges

STAKEHOLDER MAP



4. MANAGEMENT SYSTEMS

Polpharma Group is constantly developing and improving its management systems. Risk management within the company is carried out on the basis of a dedicated policy, Under which a model has been designed to define the risk areas and levels for individual business processes. An update process, carried out on a regular basis relying on special forms and a system of metrics, allows to track changes in the business environment and to take mitigating measures.

In connection with the establishment of the new CSR strategy for the entire Polpharma Group in Poland, work is under way to build a coherent management structure for the implementation of the strategy, both at the level of individual companies and corporate functions. In 2014, as the efforts in particular areas of the strategy intensified, dedicated teams were appointed. For example, there is the Ethics Programme Establishment Team at Polpharma Group or the Sustainable Supply Chain Team. Both teams are led by a representative of the Supervisory Board, and Management Board representatives and top executives sit on the steering committees. Team members represent all key functions. Members of management bodies are regularly updated on the progress in the implementation of each strategic programme and action carried out as part of the CSR strategy.

COMPOSITION OF THE MANAGEMENT BOARD OF POLPHARMA S.A. PHARMACEUTICAL WORKS AS AT THE END OF 2014

- Peter Prock – Member of the Supervisory Board delegated to act as the President of the Management Board
- Jan Faryaszewski – Vice President of the Management Board
- Bożenna Kozakiewicz – Vice President of the Management Board
- Rajmund Ireneusz Martyniuk – Vice President of the Management Board
- Francois Menard – Vice President of the Management Board
- Tomasz Moys – Vice President of the Management Board
- Andrzej Dziuban – Member of the Management Board
- Sebastian Szymanek – Member of the Management Board
- Hannes Teissl – Member of the Management Board

COMPOSITION OF THE MANAGEMENT BOARD OF MEDANA PHARMA SA





- Anna Durdyn – President of the Management Board









COMPOSITION OF THE MANAGEMENT BOARD OF POLFA WARSZAWA S.A.

- Tomasz Moys – President of the Management Board
- Małgorzata Cegielska-Matysiak – Member of the Management Board
- Katarzyna Goławska – Member of the Management Board

COMPOSITION OF THE MANAGEMENT BOARD OF POLPHARMA TRADE OFFICE SPÓŁKA Z O.O.

- Rajmund Ireneusz Martyniuk – President of the Management Board
- Grzegorz Chelmicki – Member of the Management Board
- Bożenna Kozakiewicz – Member of the Management Board
- Sebastian Szymanek – Member of the Management Board

	2013			2014		
			All			All
STAFF COMPOSITION BY AGE AND GENDER AND MINORITIES						
TOTAL NUMBER OF EMPLOYEES (G4-10)	2 286	1 887	4 173	2 289	1 935	4 224
NUMBER OF EMPLOYEES BY AGE						
AGED ≤ 29	298	243	541	272	239	511
AGED 30 TO 50	1 600	1 282	2 882	1 599	1 321	2 920
AGED 51 ≥	388	362	750	418	375	793
PERCENTAGE OF EMPLOYEES BY AGE [%]						
AGED ≤ 29	7%	6%	13%	6%	6%	12%
AGED 30 TO 50	38%	31%	69%	38%	31%	69%
AGED 51 ≥	9%	9%	18%	10%	9%	19%
NUMBER OF FOREIGNERS	7	12	19	8	14	22
RATIO OF FOREIGNERS TO ALL EMPLOYEES	0,17%	0,29%	0,46%	0,19%	0,33%	1%

	2013						2014					
	Managers and executives			Individual contributors			Managers and executives			Individual contributors		
STAFF COMPOSITION BY EMPLOYEE CATEGORY, AGE AND GENDER			Wszyscy			Wszyscy			Wszyscy			Wszyscy
NUMBER OF EMPLOYEES BY AGE												
AGED ≤ 29	5	3	8	293	240	533	6	2	8	266	237	503
AGED 30 TO 50	170	240	410	1 430	1 042	2 472	191	247	438	1 408	1 074	2 482
AGED 51 ≥	31	44	75	357	318	675	32	50	82	386	325	711
TOTAL	206	287	493	2 080	1 600	3 680	229	299	528	2 060	1 636	3 696
PERCENTAGE OF EMPLOYEES BY AGE AND EMPLOYEE CATEGORY												
AGED ≤ 29	2%	1%	1%	98%	99%	99%	2%	1%	2%	98%	99%	98%
AGED 30 TO 50	11%	19%	14%	89%	81%	86%	12%	19%	15%	88%	81%	85%
AGED 51 ≥	8%	12%	10%	92%	88%	90%	8%	13%	10%	92%	87%	90%
TOTAL	9%	15%	12%	91%	85%	88%	10%	15%	13%	90%	85%	88%

MOST IMPORTANT AWARDS IN 2013 AND 2014:

Innovation

- Award of the President of the Republic of Poland for the development and implementation of innovative technologies (2013)
- Innowator Wprost (2013 and 2014)

Impact on development

- Pearl of Polish Economy (Perła Polskiej Gospodarki) in the category "promulgation of social values" for Jerzy Starak (2014)
- Economic Griffin (Gryf Gospodarczy) for the positive impact on

the economic development of the Pomeranian region (2014)

- Medals for Supporting the Development of Enterprise for Jerzy Starak and Elżbieta Dzikowska (2014)

Attractive employee

- Second place in the Science category in the Universum Student Survey (2014)
- Reliable Employer of the Decade (2014)
- Employee-Friendly Employer (2014)

Valued products

- Teraz Polska Emblem for Acard (2013)

Ecology

- Patron of Ecological Education (Mecenas Edukacji Ekologicznej) (2013 and 2014)
- Environmentally Responsible Business (Eko-odpowiedzialni w Biznesie) (2013)
- Sustainable Development Leaders (Liderzy Zrównoważonego Rozwoju) (honourable mention, 2013)

Marketing, sales, PR

- numerous awards, such as the Golden Paperclip (Złoty Spinacz), Health Care Success of the Year (Sukces Roku w Ochronie Zdrowia) for Polpharma's education programmes
- Polish National Sales Awards in Sales Force and Excellent Salesperson categories



SERVING PATIENTS AND THE SOCIETY

We seek to offer the best possible response to the needs of patients and our local communities. For the sake of patient health, we engage in health education and preventive care.

SERVING PATIENTS AND THE SOCIETY

We are the largest manufacturer of drugs in Poland. For us, the leading position means mostly a commitment to guarantee pharmaceutical security for the Polish population. Manufacturing our products locally, we ensure continued supplies and access to required therapies for patients. We maintain the production of a range of unprofitable medications, including life-saving products, for which there are no substitutes on the market. We reinvest our profits in Poland, allocating money to socially important innovations, including biologics. Preventive care and health education are of critical importance to us. We carry out a range of awareness-raising education campaigns and programmes covering such conditions as hypertension or anaphylactic shock. We need to keep in mind that medicines work only as long as we take them.

Therefore, we have been the first company in Poland to give publicity to the issue of correct following medical advice by patients as a key factor of therapeutic success. We have strong ties with the regions where we operate. We feel responsible for the development of those areas and for the jobs created not just within our facilities, but also by our subcontractors. We are involved in initiatives supporting the improvement of quality of life and intersectoral cooperation within local communities.

OUR SUCCESSES

326,000

blood pressure tests and 126,000 heart age tests were taken in the Pressure for Life campaign

almost 15,000

people received training as part of the Get Ready for a Shock programme (of whom 6,000 in 2013–2014)



KEY ACTIVITIES IN 2013–2014:

- We carried out the biggest education campaign in Poland on hypertension prevention. The most important outcome of the Pressure for Life campaign was a change in the attitudes of the Poles towards heart disease prevention.
- The Get Ready for a Shock campaign raised the important topic of anaphylaxis. We provided training to numerous patient groups that could be affected by the problem.

We also created the first algorithms in Poland to be used by doctors in case of patients with anaphylaxis.

- We offered comprehensive preventive care programmes to our employees, including an anti-tobacco programme, and we encouraged them to take up sport.
- Together with the Polpharma Scientific Foundation, we prepared the textbook "Nieprzestrzeganie zaleceń terapeutycznych. Od przyczyn do praktycznych rozwiązań" (Therapeutic Non-Compliance. From Reasons to Practical Solutions.)
- We organised the annual Open Day in our Starogard facility, which supports integration between our company and the inhabitants of the Kociewie region.
- We joined the activities of the Development Initiatives Forum (FIR), which promotes intersectoral cooperation in the Pomerania region.
- We developed the Employee Volunteering Programme of Polpharma Group across all sites.



Rajmund Ireneusz Martyniuk,
Vice President of the Management Board of Polpharma SA and President of the Management Board of Polpharma Trade Office, Commercial Director at Polpharma Group

Polpharma was born in Poland and most of its products are manufactured here. Poland is also our largest market. We believe that the success and development of our company are indissolubly linked to the quality and efficiency of the local health care system. As a market leader, we believe that it is our role to actively support the reinforcement of the social health system, and to raise awareness and ensure the right care for millions of Polish citizens. Poland is and will be our priority as regards ensuring the availability of Polpharma's medications. We manufacture a wide range of life-saving drugs and we are the only company which ensures access to such drugs. We never compromise on quality requirements, while maintaining price levels allowing patients to buy their prescription drugs. We support scientific and educational activities of most medical and pharmaceutical scientific associations, and we provide grants to a large number of scientific studies in the field of pharmacy and medicine through the Polpharma Scientific Foundation. We run a number of countrywide education programmes and epidemiology screening tests, and we improve patient access to advanced diagnostics. Polpharma employees participate in social activities in all our locations. We support local health-related and environmental initiatives, employee volunteering and charity projects carried out by our partners.

6 400

people took free heart and eye checks in 29 campaigns of the Health Zone (Strefa na Zdrowie) campaign

more than 10 000

hours were spent by our employees volunteering in the local communities

6

follow-on biologics projects are carried out by our Biotechnology Division in Gdańsk

OUR COMMITMENTS

1. We ensure pharmaceutical security in Poland.

2. We promote principles of preventive care among patients and employees.

3. We support patients to follow medical advice correctly.

4. We are engaged in community development.

KEY METRICS

- BWe will manufacture drugs needed by Polish patients with a particular focus on those that are not supplied to the Polish market by anyone but Polpharma.
- We will develop follow-on biologics and improved generic forms to ensure that Polish patients can access the most advanced therapies at affordable prices.
- We will make it possible to maintain an acceptable cost level in drug manufacturing, despite increasing component prices and other cost drivers, by scaling up our business and investments in innovative technologies

- We will reach out with education or prevention activities to one million Poles.
- We will provide access to extended health care services to employees across all Polpharma Group locations in Poland.
- We will arrange health initiatives for employees across all Polpharma Group locations in Poland at least once a year.
- We will implement a model to measure short- and long-term effectiveness of activities for major education programmes.

- We will run a campaign in all medical universities in Poland to promote the textbook "Therapeutic Non-Compliance. From Reasons to Practical Solutions" to students.
- We will reach out to pulmonary, diabetes and heart disease specialists through daily promotion of Polpharma medications with a leaflet to support patients in therapeutic compliance.
- By providing regular training, we will ensure that all our representatives are prepared to talk to doctors about following medical advice by patients correctly.

- We will establish a good neighbourliness policy covering all Polpharma Group locations in Poland.
- We will implement a regular community dialogue.
- We will expand the employee volunteering programme to new areas.

1. WE ENSURE PHARMACEUTICAL SECURITY IN POLAND

Being the largest pharmaceutical group in Poland, we play a key role in ensuring the security of drug supplies to the public. We allocate most of our profit to the development of new drug formulations and socially important innovations which improve health and quality of life. We keep the domestic market, our key market, supplied with 220 products responding to the most common health problems. We provide broad access to treatment with our extensive offering and reasonable pricing. We have a 12.3% share in the Rx drug market and only 5.03% in reimbursement payments. For the sake of health and lives of our patients, we maintain the production of a range of unprofitable products, including life-saving products, for which there are no substitutes on the market. We manufacture the only generic drugs for 47 molecules. We also participate in the provision of strategic military reserves, supplying medications. The large share of domestic manufacturers in the generic market helps reduce the costs of pharmacotherapy for patients and generates savings for the state budget. Owing to that, the National Health Fund (NFZ) can extend its reimbursement scheme to new groups of drugs, helping more and more patients. According to data provided by Sequence HC Partners, an analytical service provider, drugs from domestic manufacturers cover 44.3% of all reimbursed therapy days, however the share of domestic drugs in the total amount of reimbursement is much lower (they only account for 27% of the total amount of reimbursement). Resources spent to reimburse drugs manufactured in Poland (PLN 2.5 billion in 2014) are in fact offset by budget income in the form of taxes, social security contributions and other payments (PLN 2.4 billion).

WE INVEST IN SOCIALLY IMPORTANT INNOVATION

Biologics are undoubtedly the future of modern pharmacy. They mimic the functions of human proteins (such as insulin or growth hormone), offering hope to patients suffering from serious illnesses (such as some cancers, leukemia, asthma, cystic fibrosis, psoriasis and rheumatoid arthritis). Biologics are effective and safe, but access to therapy is hindered by its cost: they are more than 25 times more expensive than chemical drugs.

Polpharma decided to develop follow-on biologics, which are drugs marketed after the expiry of patents for original medications. Owing to their lower price, they will allow more patients to use the treatments. However, even those drugs require immense investments, mostly due to the costly clinical trials, as well as the time and expertise needed. The development of follow-on biologics takes from 7 to 9 years and costs between 80 and 100 million euro. Currently there are six projects involving that type of drugs under way at our laboratory in Gdańsk Science and Technology Park.

Our commitment to the development of biologics is also an opportunity for top Polish scientists and exceptionally gifted graduates to develop their talents in Poland (for more information, see page 81).

The presence of a strong pharmaceutical sector in Poland guarantees that revenue can be reinvested in the most profitable way: in innovation. This improves the potential of the economy as a whole, increases the receipts of the state budget and reinforces the position of Poland on the international scene, but most of all, it guarantees human safety, an invaluable priority. The security of drug supplies is one of the elements of the security of the state and its citizens. It is important not only in a state of emergency or war, but also, or even mostly, in peacetime.



Dr Bohdan Wyżnikiewicz, Vice Chairman of the Institute for Market Economics

THE NATIONAL PHARMACEUTICAL SECTOR GENERATES:

- almost **1%** of Poland's GNP
- **105k** jobs (direct, indirect and induced effect)
- **PLN 2.4 billion** in budget receipts
- **20k** jobs (direct, indirect and induced effect)
- **20** of budget inflows from the whole sector (2014 data)

* based on DELab UW, PZPPF 2015 report: Makroekonomiczne aspekty znaczenia sektora farmaceutycznego dla polskiej gospodarki; the domestic pharmaceutical sector is understood as Polish and foreign operators manufacturing their products in Poland

POLPHARMA GROUP IN POLAND GENERATES:

- **20k** jobs (direct, indirect and induced effect)
- **20** of budget inflows from the whole sector (2014 data)

* Calculation based on the same methodology as in the DELab UW report

2. WE PROMOTE PRINCIPLES OF PREVENTIVE CARE AMONG PATIENTS AND EMPLOYEES

We live longer and longer (almost 77 years on average), but still more than 2 years less than a statistical European Union citizen (79.2 years), according to the OECD's Health at Glance 2014 report. Preventive medicine plays a key role in maintaining a good quality of life and health. Its significance is bound to increase over the next years, because of the population ageing process and extension of retirement age. Being aware of the gravity of this challenge, we place strong emphasis on the promo-

tion of preventive care and early diagnosis. Aiming to reach as many people as possible with our expertise, we strive to make our education campaigns exceptional, remarkable, but most of all, comprehensible and practical. The campaigns have a very good reception. Both strong attendance and participant feedback confirm the success of our approach to promoting the principles of preventive care. The outcomes of our actions are also recognised in the most important industry competitions.

COUNTRYWIDE HEALTH CAMPAIGNS – FROM JUNIOR TO SENIOR

In 2013 and 2014, we ran a few extensive education and prevention campaigns addressed to patients. They included: Health Zone (Strefa na Zdrowie), a programme organised together with Caritas Polska aimed at facilitating access to medical tests, specialist consultations and health education for people aged 50+, most of them living in small towns. In 2013–2014, we checked the hearts and eyes of 6,400 people from 29 small towns as part of the Health Zone initiative.

We are engaged in important local community events throughout Poland (such as the Days of Starogard), arranging 'white' campaigns during which citizens have the opportunity to get free medical consultations and preventive health checks. Furthermore, we encouraged people to take advantage of eye disease prevention opportunities as part of the Test for Glaucoma – Save



Your Sight campaign (Wykryj jaskrę – ocal wzrok), and to become voluntary blood donors as part of the Your Blood Has Great Power initiative (Twoja krew ma wielką moc) in our Nowa Dęba location.

In 2013 and 2014, the two largest campaigns were: Pressure for Life and Get Ready for a Shock. Their results are discussed in detail in the LBG model.

Education programmes are very important to our business, giving patients the opportunity for early diagnosis and helping them avoid grave and often life-threatening complications. So far, we have educated the Poles on herpes, sexual health and glaucoma, and for a few years we have been encouraging people to take care of their hearts and raising the awareness of anaphylactic shocks. Designing our education campaigns, we plan our actions so that we do not only speak to patients using our authority, we reach out to them and facilitate preventive measures in practice. We believe that a permanent change of attitudes is only possible with many years of hard and persistent work.



Dominika Bandurska, Brand PR Manager, Polpharma Trade Office

We performed more than **458,000** free tests in total as part of a range of education and prevention campaigns.



✓ PRESSURE FOR LIFE

Pressure for Life is the biggest educational campaign on hypertension in Poland. It was initiated in late 2012 in response to alarming figures: cardiovascular diseases, despite the increased efficacy of treatment, are the most common cause of death in Poland, but are still often disregarded by patients. One in three adult Poles suffer from hypertension (NATPOL study 2011). Still, 70% of the Poles do not take their blood pressure on a regular basis, and 95% are unaware of the rules of correct measurements (PBS study 2012). We were committed to change the pattern among the Poles which was that they did not care about their health until they fell ill. Therefore, the focus in our campaign was on preventive care, early diagnosis and education – not only in risk groups, but also within their families.

In 2013 and 2014, our campaign reached **100 towns** and villages. We checked the blood pressure of **326,000 Poles** and distributed **750,000 copies** of educational materials.

We arranged numerous events to accompany the campaign, such as the "Seniors make their dreams come true with Acard" contest organised in cooperation with the Przyjaciółka weekly. During an initiative carried out in 2013, we donated one złoty for each blood pressure check to the Healthy Heart Clinic (Klinika Zdrowego Serca) in Zabrze. Owing to that, the Clinic received a total of PLN 200,000.

As part of the campaign, we also initiated **the first heart age study on such a scale in Europe**. During the first two editions of the campaign (2013 and 2014), the study covered more than **126,000 people**.

OUTCOMES OF THE CAMPAIGNS

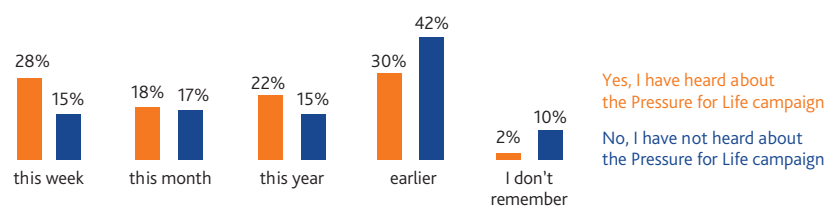
The Pressure for Life campaign contributed to permanent changes in the attitudes of its participants, as shown by the results of a PBS study carried out after the first year of the campaign:

- people who had heard about the campaign demonstrated, on average, a **15pp** higher awareness of the risk factors of cardiovascular diseases than people who were unaware of the campaign;

- as much as **28%** of people who had heard about the campaign declared that they had checked their blood pressure over the last week – almost twice more than in the group of people who had not heard about the campaign (15%);
- as much as **76%** of the respondents expected that the campaign would be continued.

FREQUENCY OF BLOOD PRESSURE CHECKS DEPENDING ON THE AWARENESS OF THE PRESSURE FOR LIFE CAMPAIGN

When did you last take your blood pressure or have your blood pressure taken?



The campaign earned us a number of prestigious awards:

- 2013 Magellan Award,
- 2014 Golden Paperclip (Złoty Spinacz),
- Effie Award,
- 2014 Stevie Award,
- Social Campaign of the Year 2013 (Kampania Społeczna Roku 2013),
- Leader of the Year 2014 in Health Care (Lider Roku 2014 w Ochronie Zdrowia).

Where only a fast response will save someone's life, there is no time for ignorance or hesitation. The Get Ready for a Shock programme prepares people to take the right action when human life is in danger. Our programme raised the awareness of anaphylaxis, and media finally started to link the topic of allergy with its most severe form, the anaphylactic shock. Owing to that, we could reach a considerable proportion of the population with our educational content. This resulted in a perceptible change in the awareness of the Poles (as confirmed by a survey carried out together with the medonet.pl web portal after the first year of the campaign). Furthermore, according to media reports, public transport drivers who participated in our first aid training are more willing to give first aid to passengers and passers-by. Those outcomes are recognised by independent experts, which is evidenced by the awards we have earned for our past activities. A very important part of the campaign involved close cooperation between Polpharma employees and allergology experts, which resulted in the production of the current anaphylaxis guidelines for doctors.



Anna Robak-Reczek, Senior Specialist for Brand PR



✓ GET READY FOR A SHOCK

Get Ready for a Shock (Przygotuj się na wstrząs) is a comprehensive countrywide education and information programme on anaphylaxis, an issue which is poorly understood in Poland, despite being a severe and potentially life-threatening condition. The campaign was aimed at promulgating knowledge about the causes, consequences and handling of anaphylactic shock. We additionally developed innovative algorithms for doctors and patients showing, in a straightforward manner, the steps that must be taken in the event of anaphylaxis (for more information, see p. 85).

Experts stress that the main problem with anaphylactic shock is the very low public awareness of the condition. Still few people know that allergy is not only about runny nose and watery eyes. In the event of an acute allergic reaction – anaphylaxis and anaphylactic shock – rapid aid is critical and often saves lives.

OUTCOMES OF THE CAMPAIGNS

We have identified a problem and built a lasting system. **We have marked out new life-saving paths within the society and in medicine.** Our actions have **doubled the number of Poles who have heard about anaphylaxis!**

Before the campaign, only 27%* (33%**) of Poles declared that they knew the term 'anaphylaxis' and only 11%* (28%**) of Poles declared that they knew how to help someone in the event of anaphylactic shock.

Meanwhile, paramedics stress that lack of response from accident witnesses often results from fear of the consequences of giving incompetent aid – hence the need to provide extensive education.

The points of departure for the campaign were surveys on public awareness of anaphylactic shock and a medical community debate which allowed to develop specific messages addressed to doctors.

Initiatives carried out as part of the programme were addressed to various audiences – allergy patients and their families, allergology experts, media, as well as beekeepers and public transport employees. We also provided a number of training sessions, outdoor events and lectures for the medical community. The Anaphylaxis Education Week, which involved free allergist consultations in dozens of Polish towns and cities, was very popular. Owing to a campaign carried out in means of public transport in several Polish towns and cities, more than 2 million passengers could access educational materials produced in the campaign.



After one year of the campaign, **64%***** of Poles declared that they knew the term 'anaphylaxis'.

According to a TNS study from January 2014 and **a survey carried out in collaboration with medonet.pl (January 2014). *** A study carried out in collaboration with medonet.pl (December 2014).

Anaphylaxis is a severe, life-threatening, generalised or systemic rapid hypersensitivity reaction. It is a generalised response of the organism to an allergen or other factors (such as physical effort). It is characterised by a rapid onset of symptoms, including respiratory deterioration and/or cardiovascular symptoms (hypotension as a leading symptom, increased heart rate, feeling faint or loss of consciousness). Usually, skin symptoms occur as well, in the form of urticaria and itching. Anaphylaxis develops within minutes and usually no later than several hours after coming into contact with an allergen. The most severe form of anaphylaxis is the anaphylactic shock, which can lead to death.

The campaign was recognised and awarded: the Golden Stevie Awards 2015, The Golden Paperclip (Złoty Spinacz) 2015, and it received a honourable mention in the Social Campaign of the Year 2014 competition.

EDUCATIONAL ACTIVITIES ADDRESSED TO THE MEDICAL COMMUNITY AND GENERAL PUBLIC IN THE GET READY FOR A SHOCK CAMPAIGN IN 2013–2014

- innovative anaphylaxis algorithms for patients and doctors
- training for **5000** public transport employees
- education campaign addressed to **2 million** public transport passengers
- training and lectures for doctors – **18** conferences, more than **5000** doctors trained
- expert forum: ~ **30k** users
- more than **6000** people trained during workshops accompanying 12 events (picnics, festivals, marathons); more than 20k items distributed to participants (first-aid kits, bracelets, algorithms)

The Power Of The World Wide Web

The Poles tend to look for advice online very often, including health-related advice. Unfortunately, the multitude of information available on the internet does not always result in good quality. Therefore, we create education websites dedicated to the most common health conditions. The content published on those websites is up-to-date, exhaustive, reliable, and – most of all – very practical.

For example, at www.odetchnijspokojnie.pl, allergy and asthma sufferers will find a current pollen map or dietary advice, but also a Symptom Diary to assist them in the preparation for the next appointment with their allergist. Additionally, the website is equipped with a nearest medical facility locator and a function allowing to call the facility of your choice. Furthermore, the application provides support to patients from the anaphylactic shock risk group, not only by means a set of practical advice on how to proceed in the event of an anaphylactic shock, but also with an extremely important 'emergency call' feature, which allows the user to immediately contact a doctor or a preselected person.

The www.abcmigrena.pl website features a Migraine Diary. At www.mojanowafigura.pl, in turn, we prepared a lot of advice on nutrition, health, fashion and beauty for diet- and wellbeing-conscious people. Teddy-bear Stories (Misiowe Opowieści, (www.misioweopowiesci.o2.pl), on the other hand, is a mine of knowledge on child health for parents, accompanied by inspiring games and fun for children in different ages.

In our education activities, we take advantage of the fact that the Poles are keen to use the features of advanced telephone devices. Dedicated **smartphone apps** accompany a number of our campaigns and initiatives. For example, the Pink Mirror (Różowe Lusterko) application offers convenient support in the regular use of contraceptives.

We Care about the Health of our Employees

We provide a good package of preventive care as well as general and specialist medical services to current and retired employees of Polpharma. The medical services are provided by MEDPHARMA Zakład Opieki Zdrowotnej S.A. and Centrum Medyczne Lux-Med.

We additionally run free flu vaccination campaigns and sanatorium programmes, and we subsidise meals at work. **Our employees are also an important target audience for our education campaigns.** The Pressure for Life van visited our facilities in Starogard Gdański, Polfa Warszawa and Trade Office, while the Get Ready for a Shock workshop was on the agenda of the Polpharma Open Day.

The subjects of health, the right diet and keeping fit are regularly featured in Panaceum, our in-house magazine. There is a fitness studio in the building where Trade Office is located in Warsaw. The Multi-Sport programme, which offers convenient access to sports and recreation activities throughout Poland, is very popular with our employees and their families.

We promote daily exercise, especially bike commuting. As part of the Let's Go Cycling (Wszyscy na rowery) programme, we have taken care of bike-friendly infrastructure on our premises (bike shelters, speed limits for cars). We also reward employees who prefer this environmentally-friendly means of transport. Credit is awarded for each registered bike commute, which can then be exchanged to prizes in the MyBenefit cafeteria system. Before the implementation of the programme within the Group, only 20 employees of our Starogard facility biked to work. However, when the On Your Bikes, Everyone campaign was launched, the number of bike commuters across all Polish locations increased to 480. There are many brave souls among them who ride their bikes all year round, in all weathers.

EDUCATIONAL WEBSITES AND PREVENTIVE CARE CAMPAIGNS OF POLPHARMA



www.odetchnijspokojnie.pl



www.abcmigrena.pl



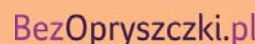
www.mojeoczy.pl



www.leczpaznokcie.pl



www.21plus7.pl



www.bezopryszczki.pl

PRODUCT ADVICE WEBSITES FOR PATIENTS



www.mojanowafigura.pl



www.misioweopowiesci.o2.pl



www.dbajonerki.pl



www.fosidal.pl

We support employee initiatives involving the promotion of leisure activities. We also act as a partner for bike events and competitions, and we encourage our employees to participate in them (the Kociewie Kołem marathon, Kociewie Szlakiem MTB competition or Polish Medical and Pharmaceutical MTB Championship).

We take pride in our **company sports teams**: Polpharma Ski Team, Polpharma Bike Team, Polpharma Tri Team and Polpharma Run Team, established in 2014. Our triathletes enter major triathlon competitions, including Ironman events. The Polpharma Ski Team has been in the top of Alpine Ski Championships of Pharmaceutical Companies for several years, and our Bike Team keeps winning medals in the Polish Medical and Pharmaceutical MTB Championship. Our runners are not wasting their time away, either. In the first edition of the Tricity Business Relay, as many as two Polpharma teams climbed the podium in their respective categories. In turn, 55 runners entered the DOZ Marathon in Łódź, including 9 marathon runners.

For many years, we have had a Yachting Club in our Starogard facility, operating under the auspices of Polpharma.

Our yachtsmen, wearing the colours of the Farmacja Praktyczna magazine, participate in the Sailing Championship of Poland for Journalists.



☑ SMOKING IS PASSÉ

For many years, we have run health awareness campaigns promoting healthy lifestyles to our employees. In 2013, we decided to support our employees from Trade Office in Warsaw in quitting smoking. In 2014, we did the same for Pharmaceutical Works in Starogard. We organised the Quit Smoking programme, offering a full-day anti-tobacco session to each participant, followed by two reinforcing sessions. What about the effects? They were amazing! 56% of programme participants in Warsaw and 62.5% of programme participants in Starogard broke free for good. Many of them persuaded their friends and families to quit, too.

62,5% of participants of anti-tobacco sessions in Starogard Gdański

and **56%** of participants in Warsaw have beaten the nicotine addiction.

I am delighted that Polpharma offers the opportunity to participate and assists its employees in participating in major sports events. I am on three Polpharma teams myself. Polpharma Run Team brings together people who are passionate about running, both beginners and advanced runners. One of the major running events is the DOZ Marathon in Łódź, where we regularly enter a large team for the 10k and marathon races. I have met a lot of awesome crazy people there, from our company and beyond. Polpharma Bike Team, on the other hand, are those who enjoy working the pedals on and off the road. I found out myself that there are plenty of them among our staff. However, the Polpharma Tri Team is my favourite. This year, together with three colleagues, I have represented our company in Gdynia in the biggest Ironman 70.3 event in Poland. It was fantastic. Thank you very much, and I hope that our company will continue supporting the participation of our colleagues in various sports-related initiatives.



Robert Czerwiak,
Team Leader at the
Waste Treatment
and Incineration
Plant Unit,
Polpharma SA

POLPHARMA SPORTS TEAMS IN 2013–2014:

- Polpharma Ski Team (skiing)
- Polpharma Run Team (running)
- Polpharma Bike Team (cycling)
- Polpharma Tri Team (triathlon)

3. WE SUPPORT PATIENTS TO FOLLOW MEDICAL ADVICE CORRECTLY

For the sake of patient health, we have been the first pharmaceutical company in Poland to raise awareness of the fact that therapeutic success relies on the degree of following medical advice correctly. In a report on that subject published in 2003, the World Health Organisation recognised non-compliance as a serious barrier preventing patients from taking advantage from the continuing advancements in medicine and pharmacy.

Equally disturbing conclusions can be drawn from a study carried out by a team led by Prof. Przemysław Kardas from the Medical University of Łódź on a group of 60,000 patients with chronic diseases. More than 83% of the study subjects did not follow the recommendations to a varying degree (for example, even when a patient took medications, he would take them at the wrong time of day or in a wrong

order). Results of this study and other studies on the subject as well as conclusions and recommendations are published in the textbook "Therapeutic Non-Compliance. From Reasons to Practical Solutions." The work on the book started in 2014, and the book was published in 2015.

The consequences of patient non-compliance vary extensively, from deteriorated therapeutic results, through the need for additional diagnostics, further medications, more medical appointments or hospitalisation to death.

According to conservative estimates, the annual costs of therapeutic non-compliance amount to PLN 6 billion. This imposes a burden not only on patients and families, but also on the National Health Fund, and thus, indirectly, on the society.

(NON)COMPLIANCE

- Only **65%** of chronically ill patients declare that they always take all recommended doses.
- One in four** chronically ill patients has failed to comply with doctor's advice and happened to use only a part of the prescribed packaging or only some or one of the prescribed drugs.

- Chronically ill patients, despite the declarations about medication adherence, admit that sometimes they come off the drugs (most often because of feeling unwell or a temporary improvement) or modify their therapies without seeking medical advice.
- Ca. **PLN 6 billion** annually – these are the losses of the Polish health care system due to patient non-compliance.

Source: "Polskiego pacjenta portret własny" (The Polish Patient – a Self-Portrait), 2010



I think it should be underlined that since 2007, the Polpharma Scientific Foundation has demonstrated great commitment, consistently supporting the community of health care professionals and patients in the elimination of barriers to therapeutic compliance of persons with chronic diseases. During the 8 years of work, we have observed a major change in the awareness of doctors and patients, who better understand the impact of therapeutic compliance on therapeutic success. I am convinced that the Foundation should get some credit for that.



Prof. Piotr Kuna,
Chairman of the
Scientific Council
of the Polpharma
Scientific
Foundation

- During the first year, treatment is discontinued by at least one in three patients taking hypolipidemic drugs or treated for type 2 diabetes with oral hypoglycemics.
- Every seventh patient discontinues the recommended therapy within a month from the implantation of a stent in coronary arteries, resulting in a 9-fold increase in the risk of death.
- 4 million Poles suffer from asthma and 2 million Poles suffer from the chronic obstructive pulmonary disease (COPD). Only some 50% of them comply with therapeutic guidelines.
- Almost 80% asthma and COPD sufferers use poor inhalation techniques, resulting in therapeutic non-compliance.

Source: "Therapeutic Non-Compliance. From Reasons to Practical Solutions", scientific editors: Prof. Zbigniew Gaciong and Prof. Przemysław Kardas, 2015

LOOKING FOR CAUSES AND SOLUTIONS

We were the first ones in Poland to bring therapeutic compliance to the attention of the scientific and medical community as well as society. In 2007, the Polpharma Scientific Foundation held a competition for the best research project on barriers to therapeutic compliance and ways to overcome them. In recognition of the fact that the awareness of therapeutic non-compliance in the medical community was relatively low, in 2008 the Foundation issued a publication on that subject addressed to doctors entitled "Współpraca lekarza z pacjentem w chorobach przewlekłych – compliance, adherence, persistence. Stan obecny i możliwość poprawy" (Doctor-Patient Cooperation in Chronic Diseases – Compliance, Adherence, Persistence. Status Quo and Room for Improvement). The publication, issued in 30,000 copies, was the first Polish monograph addressing this issue.

Earlier publications available in Poland mentioned the issue of therapeutic non-compliance relying on research carried out in Western countries and in the United States, and the knowledge of how Polish people treated themselves was fragmentary, random, or even intuitive. The Foundation decided to look for the answer to that question and commissioned some qualitative and quantitative studies. The results were published in the report "The Polish Patient – a Self-Portrait". The report was provided to medical professionals and to the media. It also became a point of departure for a number of discussions and public debates on the significance of proper doctor-patient cooperation. It is noteworthy that no other research has been done on such a scale so far and that the study is quoted in most papers on therapeutic non-compliance.

In 2015, a professional textbook was published for students and doctors during specialisation courses: "Therapeutic Non-Compliance. From Reasons to Practical Solutions", with Prof. Zbigniew Gaciong and Prof. Przemysław Kardas as scientific editors. Soon-to-be doctors obtained not only a rich compendium of information on the scale, causes and consequences of non-compliance, but also a source of valuable advice. The textbook consists of three parts: a general section (definitions, causes, assessment of the status quo, ways of tackling the problem, emphasising the role of nurses and pharmacists), a more specific section on therapeutic non-compliance in particular chronic conditions and a practical section (recommendations for general practitioners, ready-made scripts for conversations with patients, tips on alternative solutions if a patient does not comply, for example, for economic reasons).

"THERAPEUTIC NON-COMPLIANCE. FROM REASONS TO PRACTICAL SOLUTIONS" – a textbook for doctors and medical students, scientific editors: Prof. Zbigniew Gaciong, MD, PhD and Prof. Przemysław Kardas, MD, PhD.

- 22** authors – outstanding scientists, clinicians, doctors, experts in various fields of medical and social sciences,
- 8** editors – professors and doctors from the Medical University of Warsaw and the Medical University of Łódź, as well as scientists cooperating with the Polpharma Scientific Foundation,
- 3000** copies – distributed to libraries at medical universities and science institutes, scientific associations and directly to students and doctors.



Lack of doctor-patient cooperation is a major problem in the therapy of chronic diseases. So far, the focus has been only on whether the patient should take drug A or drug B, while the problem lies somewhere else: a high percentage of patients do not take medications at all.

It turns out that the best way to ensure therapeutic compliance is to simplify the therapies and to improve patient monitoring: increased frequency of appointments, provision of care by nurses and pharmacists. A nurse may call a patient to ask if he remembers that he has an appointment or has to take medications, a pharmacist may remind him to collect a new prescription. With our latest textbook "Therapeutic Non-Compliance. From Reasons to Practical Solutions", we want to highlight an important problem, because in the case of many diseases, although there are effective drugs, therapeutic results are still poor.



Prof. Zbigniew Gaciong,
Chairman of the
Foundation's
Scientific Council

Partnership in Treatment

Recognising that the problem of therapeutic non-compliance affects all of us, we are initiating a series of activities which – like the Partnerstwo w leczeniu (Partnership in Treatment) campaign – are meant to raise public awareness of the problem and to integrate patients, their families and doctors around the need to comply.

We also support and educate the medical community, as surveys carried out by the Polpharma Scientific Foundation show that trust in physicians is the strongest driver of therapeutic compliance. In May 2013, the Polpharma Scientific Foundation together with the Wygrajmy Zdrowie Foundation launched a nationwide education campaign called “Partnership in Treatment. Doctor – Patient – Family” (Partnerstwo w leczeniu. Lekarz – Pacjent – Rodzina) under the slogan “I treat myself successfully – I follow the doctor’s advice”. The objective of the campaign was to emphasise the significance of cooperation between health care professionals and patients and their families in the therapeutic process. Telewizja Polska (Polish Television) was the media sponsor of the campaign. Moreover, the marshals of the Wielkopolskie, Małopolskie, Łódzkie, Dolnośląskie, Śląskie and Pomorskie provinces were engaged in the campaign.

As part of campaign activities, we carried out debates in various regions of Poland, such as Poznań, Łódź, Krakow, Katowice, Wrocław and Gdańsk (www.partnerstwo-wleczeniu.pl). We invited opinion leaders to take part in our discussion, including provincial family medicine and labour medicine consultants, representatives of local Chambers (of Physicians, Pharmacists and Nurses) and patient organisations, to discuss the issue of building partnerships in treatment together. The debates were attended by Prof. Przemysław Kardas, Prof. Piotr Kuna, Prof. Ewa Sewerynek, Prof. Jerzy Wordliczek and many others.

The objective of the Partnership in Treatment campaign was to:

- raise the awareness of the role of cooperation and therapeutic compliance in the treatment process among doctors, patients and their families,
- emphasise the role of sound communication between doctors and patients,
- educate on barriers to and drivers of therapeutic compliance,
- promoting good doctor-patient cooperation practices in the treatment process.

✓ BREAKING THE TABOO

Partnership between the doctor, patient and family plays a critical role in ensuring therapeutic compliance. Therefore, especially in sensitive areas such as sexual health care, we need to address our activities to all people who have an impact on therapeutic success. The unprecedented National Sexual Health Programme, carried out already for seven years, could serve as an example of such a holistic approach. As part of the campaign, we break the community taboo still associated with sexual health care in Poland. The embarrassment barrier applies to patients and doctors alike: 73% of patients have never been asked about their sexual health by a doctor. Through educational measures, some also addressed to seniors and people with disabilities, we encourage Polish people to be more open about their sexual lives and to consult a specialist if they have any problems.

Treatment, and especially long-term treatment, requires patients to be educated about the disease itself, benefits of treatment and consequences of therapeutic non-compliance, and it calls for trust in specialists, confidence in therapeutic success and self-discipline. Many factors make it difficult for patients to meet those requirements. That is why good cooperation between health care professionals, patients and their families is so important. During debates held as part of the campaign, we arranged a meeting of all participants of the treatment process and we discussed the requirements for successful cooperation. We also talked about educating on barriers to and drivers of therapeutic compliance. Our debates were accompanied by presentations of good and effective practices of cooperation between health care professionals, patients and their families. In our view, a similar education campaign addressed to the general public should be carried out on a continuing basis in the framework of preventive care, for example by the National Health Fund.



Szymon Chrostowski,
President of the Management Board of the Wygrajmy Zdrowie Foundation,
co-organiser of the Partnership in Treatment campaign.

approx. **300** people attended regional meetings as part of the Partnership in Treatment campaign.

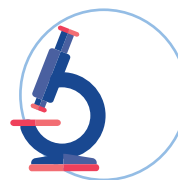
73% of patients have never been asked about their sexual health by a doctor

WE RAISE AWARENESS OF THE NEED FOR FOLLOWING MEDICAL ADVICE BY PATIENTS CORRECTLY



Various sources (clinical trials, pharmacy records) show an alarming picture: a high percentage of Polish patients do not take medications at all. That is why activities raising the awareness of the need to comply with therapeutic recommendations in patients, including the principles of safe self-medication (using OTC drugs), are so important.

We pursue this objective not only through education initiatives, but also through innovation which makes therapies more convenient and supports therapeutic adherence.



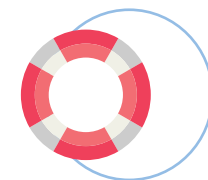
- We improve our technology processes, to make our drugs more convenient to use. An example of such a solution could be our double-layer tablet combining two APIs, improved drugs for children which taste better (such as Ibufen) or have a better form (minicapsules that can be administered with meals), or the heart-shaped tablet of Acard which makes the drug easily distinguishable and facilitates regular use.



- We share our expertise with the medical community for example through:
 - conferences and workshops dedicated to therapeutic compliance, such as the countrywide education campaign “Partnership in Treatment. Doctor – Patient – Family” carried out under the slogan “I treat myself successfully – I follow the doctor’s advice”, carried out together with the Wygrajmy Zdrowie Foundation;
 - pioneering publications on the Polish market (for more information, see p. 87);
 - including the issue of following medical advice by patients correctly in the Knowledge Pharm education programme (Pharma Wiedzy) for pharmacy and medicine students.



- We educate and support patients for example by:
 - a leaflet supporting therapeutic adherence;
 - a media campaign carried out in 2013 together with the Wygrajmy Zdrowie Foundation and TVP2 channel as part of the initiative “Partnership in Treatment. Doctor – Patient – Family”;
 - specialised mobile apps which remind patients to take a specific dosage at a predefined time or support patient treatment (such as the Odetchnij Spokojnie (Breathe Easily) application for allergy and asthma patients and persons at risk of anaphylactic shock, which is described on page 20).



- We promote the principles of safe and responsible self-medication for example through the www.odpowiedzialneleczenie.pl website run by the Polish Association of Self Medication Industry (PASMI), of which we are an active member.

Patient information leaflet



Our leaflet supporting patients in medication adherence has a very practical dimension to it – space is provided on the front page for a doctor or nurse to enter the date and time of the next appointment and the treatment plan (drug name, route of administration, number of tablets and time of administration). The reverse side of the leaflet, on the other hand, encourages self-reflection on the degree of medication adherence. The simple four-question Morisky-Green test serves as an aid in the evaluation. The leaflet encourages patients to talk to a doctor or nurse about the short-term and long-term consequences of non-compliance even if they only answer 'no' once.

Responsible Self-Medication

Self-medication, understood as using OTC drugs, is a common practice today and an important element of comprehensive health care. According to the European Parliament, the growing popularity of self-medication is a consequence of the increasing awareness and maturity of patients, as well as civilisation.

This view is shared by the members of PASMI, the Polish Association of Self Medication Industry, including our Group companies. PASMI members perceive self-medication as a fundamental value in the maintenance and protection of consumer health and the first step towards health maintenance and dis-

ease control for conscious consumers. Emphasising the advantages of self-medication, we promote the principles of responsible OTC drug use, for example by participating in the development of the www.odpowiedzialneleczenie.pl website.

OUR PERSPECTIVE ON AN IMPORTANT SUBJECT

As a PASMI member, our company is involved, inter alia, in activities aimed at improving the control over the non-medical use of prescription stimulants by young people. In 2014, together with other PASMI members, we requested that a minimum age limit of 18 years be established for purchasing products containing pseudoephedrine, dextromethorphan or codeine and that a maximum level for those substances in OTC drugs be introduced. Those requirements are taken into consideration in the revised drug abuse law, which has been in force since July 2015.

PASMI, as an organisation representing manufacturers of OTC drugs, focuses mostly on education aimed at the responsible use of drugs. To this end, the website www.odpowiedzialneleczenie.pl was established, which features information on the safe use of OTC drugs, pain management and diagnosis advice, and many other insights. The latest education campaign, Treat Yourself Responsibly (Lecz się odpowiedzialnie), is also published on the website as a series of videos showing the most common patient mistakes relating to medication. The campaign is additionally supported by member companies, including Polpharma, which is actively involved in PASMI's ongoing educational activities. The activity of Polpharma and other member companies in the promotion of responsible treatment supports the idea of self-medication as the first step towards health maintenance and disease management. Owing to the availability of OTC drugs outside of the pharmacy channel, Polish citizens can satisfy their health care demand at the right time, in the right form and place.



Ewa Jankowska, President of the Polish Association of Self Medication Industry (PASMI)

4. WE ARE ENGAGED IN COMMUNITY DEVELOPMENT

Community engagement is a natural element of our responsibility, in accordance with the motto “People Helping People”. We are an important part of local communities and we believe that good neighbourliness is an important driver of sustainable growth. We feel that our responsibility is not restricted to the jobs created within a region. We additionally try to promote the growth of local communities by means of numerous social, education, health, cultural or sports initiatives taken across all locations. We have particularly strong roots in the Kociewie region, Starogard Gdański in particular, where we have been growing with successive generations of inhabitants for eight decades. We have strong neighbourhood relationships with local communities around all our offices and facilities.

We reinforce those ties, engaging in important local community events. Once a year, during the Open Day of our Starogard facility, we unveil the mysteries of chemistry and pharmacy to citizens, giving them the opportunity to see how advanced and safe our manufacturing processes are.

Projects involving our employees are particularly important to us. Already today, employee volunteering plays a major role in our community activities. In 2013 and 2014, the Group's employees worked almost 10,000 hours to support people in need in their local communities. We would like to continue reinforcing this area, adding our own 'building block' to the social capital, so much needed in Poland.

HELPING EVEN MORE DIVERSELY

One more time, we decided to summarise our community involvement using the LBG approach. We chose this particular international social reporting standard not just because we wanted to promote the most valuable CSR solutions as the market leader. Most of all, we appreciate the practical dimension of LBG and we believe that owing to LBG, we will leverage our resources even better and extend our support to more people in need.



Charitable gifts Helping Wisely

We have been involved in charity work for years, establishing deep and lasting relations with people and institutions that are not indifferent to the needs of others. We seek to help wisely, not only by providing financial assistance or drugs, but also by sharing our resources – such as our free time, know-how and positive energy – with people in need.

The community involvement model of Polpharma Group covers a diversity of areas and types of community activities, from preventive care to employee volunteering, local charity initiatives or support for culture. In the event of such large scale activities, the challenge is to measure the outcomes and effects which are the foundation for far-sighted planning and management of community involvement. I am glad that we, at Polpharma, have this opportunity to be part of this process another year in a row, joining the LBG network. Owing to the LBG methodology, information on community initiatives, and especially their outcomes and effects, is more and more complete year by year, allowing to track the social effects of our activities and to take more strategic action in the future. It is a long and complicated journey, and Polpharma Group is enjoying it with confidence, as one of few Polish companies.



Małgorzata Greszta, Sustainability Services Manager, SGS Polska

Our actions are very diverse in terms of their nature and range, which can be local, nationwide or international. The nature of our involvement is best reflected by such projects as:

- **Support for the Kasisi Foundation** established by Szymon Hołownia, which assists the largest children's home in Zambia, in the heart of African bush, run by Sister Mariola from Poland. We provided necessary medicines to the Foundation several times in 2013 and 2014. Assistance for the foundation is an example of international aid, in which we have been involved for many years. We support Polish missionaries in various corners of the globe and aid organisations at times of natural disasters. We also provide drugs to teams going on missions to the poorest regions of the world.
- **Second life for IT hardware** – instead of destroying old company computers and printers, we sell them, and we use the proceeds for social purposes. Owing to that collection and sale of IT hardware, we could provide funds for computer room equipment in the Social Welfare House in Damaszk. With the modern hardware connected to the internet, patients can now educate themselves and contact their families. Our volunteers took part in repair work and conversion of a storeroom into a computer room. New computer hardware was also purchased for a school computer laboratory in Gymnasium No 3 and the Centre of Psychology and Pastoral Care "Więź" in Starogard Gdański. Proceeds from the sale of computer hardware from Polfa Warszawa, on the other hand, were used to buy specialist sensory integration therapy equipment for the Children's Home at ul. Dalibora in Warsaw.
- **The Kociewie Run with Polpharma** – can serve as an example of an initiative which promotes both physical activity and the tourism assets of a region which is close to our hearts. A few hundred runners from Poland and beyond partici-

pate in the 10k run along the streets of Starogard, organised already for more than two decades by the Sports and Recreation Centre in Starogard.

23. The Kociewie Run in October 2014 was finished by 313 people, and the winner was Joel Kosgei Komen from Kenya.



Community investment

We are committed to ensuring that our support brings maximum long-term benefits to local communities. Therefore, one of the assumptions behind our CSR strategy is that we are shifting from fragmentary, often one-time initiatives towards community investment – structured, strategic and recurring activities with a sustainable impact on regional development and quality of life. We join forces with other actors to maximise our response to the needs of the Pomeranian population and – through intersectoral cooperation – to create a climate for positive change and build the identity of the region.

Together We Can Do More: the Development Initiatives Forum (Razem możemy więcej: Forum Inicjowania Rozwoju)

We want to bring the three worlds of business, local authorities and NGOs together to improve our response to local needs. This concept is implemented in an excellent way by the Development Initiatives Forum (FIR), established in 2012. It engages representatives of the largest Pomeranian companies (Polpharma, Lotos, Energa), NGOs and provincial authorities. The annual meeting of the Forum is

KEY CHARITY PROJECTS IMPLEMENTED IN 2013–2014

International reach

- support to Kasisi Foundation in Zambia,
- drugs donated to Caritas Ukraine, Caritas Belarus and Caritas Kazakhstan,
- organisation of conferences and training for the Ukrainian Emergency Medical Services together with the Polish Emergency Medical Services, purchase of a first aid training manikin,
- financial support to missionaries in Asia and South America,
- arrangement of transport for Polish people in Kazakhstan.

Countrywide reach

- cooperation with Caritas Dioceses all over Poland (provision of drugs, for example, for mother and child care centres and Brother Albert centres, support for the Christmas present campaign for the poor, financial support for pilgrims),
- Strefa na Zdrowie (Health Zone) – free medical checks and specialist consultations provided in cooperation with Caritas Dioceses in Polish small towns – almost 30 parishes in 2013 and 2014 (for more information, see p. 17),
- cooperation with the Dzieło Nowego Tysiąclecia foundation (a scholarship scheme for gifted children from poor families all over Poland),
- cooperation with the Catholic Information Agency in the area of annual Bishop Chrabek Awards "Ślad" (Trace) for media people who contribute to a culture of truth, understanding and dialogue,
- cooperation with the Order of Malta on Oplatek Maltański, a nationwide annual Christmas charity event.

Local reach

- provision of the lecture theatre in the Starogard facility for the purposes of important local initiatives, such as the education and prevention programme Be Safe on the Road (Bezpieczni na drodze) carried out by the Starogard District Authority for secondary school students (the training covered a total of 1691 students in 2013 and 2014), or the Future Is Coming conference organised, in the framework of the Theory Exemption Olympics (Olimpiada "Zwolnieni z teorii") by youth from Staro-

a unique event in the region and nationwide. It offers space for dialogue and action in support of the development of constructive and practical solutions for Pomerania. However, the Forum is 'alive' all year round, not only during the meetings. It is a comprehensive project for the sustainable development of the region, based on a durable and cherished partnership. The first edition of the FIR Grant Competition took place in 2014, awarding a total of PLN 140,000 to five intersectoral projects. We were one of the sponsors of the grants.



PROJECTS AWARDED IN THE 1ST EDITION OF THE GRANT COMPETITION OF THE DEVELOPMENT INITIATIVES FORUM:

- **DALBA Social Cooperative in Puck (The project "A Cooperative That Brews More")** – establishment of a non-profit Brewery Cooperative employing 12 people with intellectual disabilities; this is the sixth company of that kind globally and the first one in Poland.
- **Mamy z Morza Foundation in Gdynia (Pomeranian Parenting Clubs)** – creating space for parents to meet and for children to have fun in Kartuzi, Puck and Kościerzyna.
- **Kashubian Business Incubator in Kościerzyna** – a series of training sessions and consultations provided in the framework of the Kashubian Academy of Enterprise to promote entrepreneurship, encourage people to establish small and medium-sized companies and stimulate economic activity in the Kościerzyna District.

- **Grupa Kolarska Starogard Gdański Association (cycling team) (MTB Kociewie Szlakiem Marathon)** – organisation of a sports event with the objective to promote the Kociewie region and its tourism potential, as well as mountain biking and family bike tours.
- **Social Cooperation Cooperative in Sopot (Luk Luk charity shop in Sopot)** – launch of the first charity shop in Pomerania, providing jobs and education to long-term unemployed.

The Development Initiatives Forum supports the reinforcement of the local social fabric and social capital of the region. Projects awarded in the 1st edition of the Grant Competition, despite being so different, have one thing in common: they show that joint involvement produces amazing outcomes in terms of equal opportunities, social and professional empowerment of excluded groups, as well as promotion of entrepreneurship or physical activity. We are happy that the initiatives of Pomeranians are innovative – the awarded projects include some initiatives that are unique not only in Poland, but also globally.

- gard (lecturers try to motivate young people to take action and believe in their dreams),
- supporting the Starogard Volunteering Day organised by the Można Inaczej Association,
- provision of Polpharma's bike safety town for the purposes of local events, distribution of reflectors and educational books on safety,
- many years of support from Medana Farma to the Światelko Dzikuska Day-Care Centre in Sieradz.

For Polpharma, the "People Helping People" motto is extremely relevant, very justified and multifaceted. The value of every company is measured by its contribution to social development, and also by whether and to what extent it is engaged in community life at the local or national level.

Support for preventive care initiatives, valuable educational and cultural projects, as well as socially important charity projects is embedded in our CSR strategy. For many years, our company has been helping people, expecting nothing in return. Our beneficiaries include people who have used our preventive care programmes, scholarship schemes or emergency assistance in the recent years, such as war or natural disaster victims. Such aid, the good deeds we do, are immeasurable. But I would like to underscore that help is important not only to its beneficiaries. Experience tells us that we enjoy helping and giving to others much more than we enjoy receiving.



Krystyna Nitecka, Key Public Relations Expert, Polpharma SA

A Close Neighbour (the Open Day)

We celebrate one day of the year in a special way, together with our employees and the local community. It is the Polpharma Open Day, organised for years on the occasion of the International Earth Day. The agenda is full of attractions. Employees and Starogard citizens visiting our facility can see for themselves that we operate in a safe and environmentally friendly way. Therefore, many of the Open Day activities are related with environmental and safety education. We swap waste for ecological souvenirs. We encourage people to participate in sessions showing the second lives of various products. We run contests and cycling licence examinations in cooperation with the local police.

We are committed to making our Open Day a means to promote healthy lifestyles and physical activity. For that reason, our agenda includes education activities carried out in the framework of our campaigns: Pressure for Life (Ciśnienie na życie) and Get Ready for a Shock (Przygotuj się na wstrząs). We encourage people to join the bone marrow registry. We also organise special campaigns, for example Cycling for a Good Cause (Pedalujemy na szczytny cel), owing to which we bought new bicycles for students from poor families in Gymnasium No 2 in Starogard.

Employee Volunteering

The involvement of our employees in the Employee Volunteering Programme shows how important the motto "People Helping People" is to our team. Offering support, we help those in need, but we also help ourselves. The employees of Medana, who spent a total of 1700 hours of their free time in 2014 to help the patients of the Social Welfare House and the Hospice at the Provincial Hospital in Sieradz emphasised this fact many times. "Voluntary work helped me discover the values that are really worth pursuing in my life", one of the volunteers pointed out. Many volunteering

project participants returned to see 'their' patients for a long time after the project had been completed.

- **Employee Volunteering Programme**
The Employee Volunteering Programme carried out by our company since 2013 supports grassroots initiatives of our employees. It takes the form of a grant competition aimed at choosing 20 most interesting projects entered by our employees every year. They receive a PLN 3000 grant each from the company. Projects can be submitted in the following categories: health and preventive care, improvement of quality of life, education and equal opportunities, humanitarian aid, local development and ecology. Projects rewarded in 2013 and 2014 involved, among other things, renovations of child-care facilities and education workshops delivered by our employees.

- **Managers as volunteers**
We included community involvement in the process of improvement of competences of marketing and sales managers. As part of the annual Train the Trainer meeting, some 200 managers are engaged in team building exercises which include a joint action for a selected institution that needs support. During the 2013 and 2014 campaigns, we managed to complete finishing works in the newly built Mother and Child Care Centre in Elk, to renovate the Social Welfare House in Tomaszów Mazowiecki and to restore its surroundings, and to prepare additional activities for the beneficiaries. We take care to ensure that our aid not only meets the current economic needs, but also adds some more value, giving the opportunity to establish relationships, to be together. Therefore, we organised additional screening checks in the Social Welfare House in Tomaszów, performed by our employees with medical education, and a picnic with a lot of attractions. This stirred very positive emotions in all participants of the meeting, both the

The Development Initiatives Forum is a partnership between the Pomeranian business community, NGOs and local authorities aimed at introducing positive changes. Polpharma plays a major role in it. They are a proven partner that we can always rely on. The forum is a Pomeranian initiative, yet it is unique in Poland. We act to support the innovativeness of the communities which can contribute to increasing the potential of Pomerania. We inspire people and entities to take joint action, because we truly believe in the idea of sustainable development. We are convinced that the feasibility of socio-economic changes depends on the social capital of Pomerania. Our aim is to create the right conditions to build social confidence between people who offer a significant potential for those changes.



Monika Hinc,
Coordinator at
the Development
Initiatives Forum

The innovativeness of a business is measured not only by its products, but also by the quality of human resources management and responsibility for the local community in which the business operates. Polpharma is certainly a very conscious and reliable employer. I am glad to have this stable company as one of the key economic pillars of the Starogard Gdański town and the Starogard District.



Janusz Stankowiak,
Mayor of Starogard
Gdański

volunteers and the patients of the Social Welfare House, which were as important as the outcomes of repair works. We additionally invited young disabled participants of occupational therapy to our picnic, whom we helped during the same initiative in 2012. It was a great opportunity for an unprecedented integration between the two institutions occupying neighbouring parcels.

Christmas Charity
Every year, our employees play Santa Claus, making the wishes of children from childcare facilities and day-care centres come true. We prepared a total of 540 Christmas presents in 2013 and 2014. In 2014, we established cooperation with the promoters of Szlachetna Paczka (the Noble Box campaign). In 2015, we again want to bring the Christmas spirit to those in need by means of our programme.

THE AID MAP – LOCATIONS OF VOLUNTEERING PROJECTS IN 2013 AND 2014



We talked to the patients and we also some moments of silence with them. There were people who would not talk to us, but having someone to accompany them in the disease was very important to them, our presence or holding hands was enough. We knew that they expected us and needed us, because not everyone was visited by their families or friends.

(reminiscences of 18 Medana employees, who spent a total of 1700 hours of their free time in 2014 to help the patients of the Social Welfare House and the Hospice at the Provincial Hospital in Sieradz)

Promoting Amateur Sport Activities
Physical activity is a great way to take care of your health, but most of all, it is about great pleasure. There are many physical activity enthusiasts on our team. We support them in sport competitions (p. 21) and we promote bike commuting (p. 20). Our interest in bicycles is not an accident. By promoting sustainable transport, we contribute to the improvement of the natural environment.

Our employees have established the Polpharma Association for Physical Education Development and Sport which organises sport competitions in a range of disciplines. We support those activities and we instill our passion for sport in local communities, seeing active leisure as an additional opportunity to bring citizens together. Since 2013, in cooperation with the Rower Over Association, we support the organisation of the Kociewie Kołem bike marathon, whose route runs through a number of municipalities in the Kociewie region. The travel time is less important here, the focus is on the unique culture, cuisine, habits and architecture of Kociewie experienced along the route. We also support the Kociewie Szlakiem MTB marathon organised by the Grupa Kolarska Starogard Gdański Association, and a cycling school run by the Group which provides a special training programme to the most talented young people of the region. Currently, the school is taking care of the development of seven young cyclists from Kociewie.

Sport Without Barriers
There is more to sport – it makes us more sensitive to the needs of persons with disabilities and encourages us to eliminate the barriers that they must face every day.

We have already helped disabled persons in our local community many times. As members of the Polpharma Association for Physical Education Development and Sport, our employees are involved in a range of activities, including charity events with proceeds going to disabled children. In 2014, we were one of the partners engaged in the organisation of the Special Olympics European Basketball Week. The world’s biggest sport event promoting basketball for people with disabilities was held between 29 November and 7 December 2014 in ten provinces. It had 18,500 participants from 33 European countries.



WWW: EVERYONE KNOWS MORE
In 2014, we established cooperation with the Integracja Foundation. As a result, an architecture audit was carried out in our Warsaw office in 2015, and our website was also audited. Experts from the Foundation advised us on how to create and develop internet sites to make them attractive and fully accessible to a range of user groups, including blind persons. We have already implemented a number of recommendations from the Foundation, providing training to our corporate website editors.

SUMMARY OF THE EMPLOYEE VOLUNTEERING PROGRAMME AT POLPHARMA GROUP

	2013	2014
GRANT COMPETITION		
NUMBER OF VOLUNTEERS	97	157
HOURS WORKED	1855	3946
NUMBER OF BENEFICIARIES	more than 1000	3865

SHORT-TERM VOLUNTEERING (SALES AND MARKETING MANAGERS)		
NUMBER OF VOLUNTEERS	182	208
HOURS WORKED	1790	2068
NUMBER OF BENEFICIARIES	ok. 100	120

CHRISTMAS CAMPAIGN "POLPHARMA GROUP EMPLOYEES FOR CHILDREN"		
PRESENTS BOUGHT	250	290

Visit Polpharma's YouTube channel for videos showing employee volunteering campaigns at Polpharma Group.



Culture for Everyone – Commercial Initiatives
Many years ago, André Malraux, a French writer and statesman, said: “Culture is what made a man become more than just an incident in nature”. We sponsor noteworthy national and local cultural initiatives. We acquaint the Polish people with works of famous award-winning artists, and we help young talents develop their potential. We make sure our employees have direct contact with art in their place of work, and we host workshops, symposia and other art-related events.

We created a unique place in the Warsaw office of Polpharma: the Spectra Art Space, where art coexists with corporate space. The experimental space inspires creative thinking and acting in our employees on a daily basis, and serves as a venue for monthly meetings with Warsaw citizens.

They have the opportunity to see works of art from the private collection of Jerzy Starak, which give a representative overview of Polish art from 1945 to the present. They include works by Magdalena Abakanowicz, Jerzy Nowosielski or Leon Tarasewicz. The Spectra Art Space also features works by young talented artists supported by the Starak Family Foundation under its Soon program.



SPONSORING PROJECTS IN LOCAL COMMUNITIES:

- Sport-related projects:**
- sponsoring a men’s basketball team from Starogard Gdański, which has been playing in the premier league since 2004
 - sponsoring of the Cycling School established in 2014 by the Grupa Kolarska Starogard Gdański Association,
 - sponsoring of Kociewie Kołem, a bicycle road racing marathon, and the MTB Marathon Kociewie Szlakiem,
 - providing support to the Kociewie Run with Polpharma for many years,
 - sponsoring the International Children’s Football Tournament organised by the Beniaminek 03 Sport Club in Starogard Gdański in 2013.

- Cultural projects:**
- sponsoring the Gdańsk Music Festival,
 - sponsoring a series of jazz concerts titled “Muzyka z Polpharmą w kościele” (Music in Church with Polpharma),
 - sponsoring the exhibitions “Oblicza figuracji” (the Faces of Figuration, 2013) and “Polskie malarstwo XIX wieku” (Polish 19th century painting) (2014) in the Starogard Centre of Culture,
 - sponsoring the adaptation of tales from Kociewie for the screen.



ETHICAL BUSINESS CONDUCT

In our business, we apply high ethical standards,
we respect the needs of employees, patients and healthcare stakeholders,
and we care about the environment.

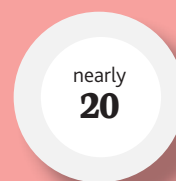
ETHICAL BUSINESS CONDUCT

We believe that ethics should be the cornerstone of any business. This requirement is particularly relevant for the pharmaceutical industry, due to its exceptional importance for the health and lives of patients. Let's demonstrate this in our daily activities, continuing to reinforce the culture of ethics at Polpharma Group. We share the same ethical values: respect, integrity, responsibility, solidarity and cooperation, which frame and guide our activities in every area. For us, commitment to the highest standards means first and foremost a focus on product quality and safety and safe working conditions, providing optimum conditions for employee development, embracing diversity and protecting the environment. We promote good practices in our environment, especially along the supply chain and in local communities. We also participate in such initiatives as the Ethics Officers Coalition under the auspices of the UN Secretary-General Global Compact Initiative in Poland, aimed at sharing knowledge and promulgation of business ethics management standards.

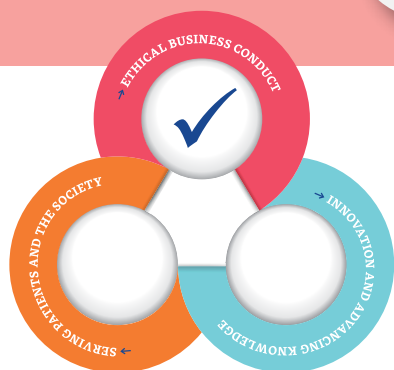
OUR SUCCESSES



employees were involved in the consultation process for the Polpharma Group Code of Ethics



meetings with employees in Poland and abroad were held as part of the effort to prepare the Code



KEY ACTIVITIES IN 2013–2014:

- By means of extensive internal consultation, we implemented the Ethics Programme, with the Polpharma Group Code of Ethics as a key feature.
- We joined the initiative group of the Ethics Officers Coalition, with one of our goals being to develop an ethics management standard for Polish companies and institutions.

- We encouraged employees to report near misses under the Stop Accidents (Stop Wypadkom) programme.
- We educated our employees and external contractor staff working for Polpharma on work safety.
- We conducted the Employee Feedback Survey accompanied by in-depth dialogue with the employees and new initiatives to drive commitment.
- We ensured employee development according to the 70/20/10 model, proven by the world's best companies.
- We developed the Let's Go Cycling (Wszyscy na Rowery) and Green Ticket (Zielony Bilet) programmes, encouraging our employees to use sustainable means of transport.
- We launched a unique project to identify APIs in wastewater.
- We started working on a sustainable supply chain strategy and the Polpharma Group Supplier Code of Conduct.

OUR COMMITMENTS

5. We reinforce corporate ethics.

6. We ensure high product quality and safe pharmacotherapy.

7. We ensure and promote elevated standards of work.

8. We nurture employee growth and commitment.

KEY METRICS

- Every employee will receive ethics training at least once every two years
- We will actively involve high- and mid-level managers in the promotion of the principles of ethics across the company
- We will develop a system to track ethics compliance within the company

- We will implement a programme to increase the commitment of our employees to the continual improvement of quality of our products and services.
- We will implement an international database of registered medical inquiries to improve the forms of response to health care professionals and patients.
- We will implement a patient education programme to raise the awareness of safe pharmacotherapy.

- 0 severe accidents at work by 2018
- Through education activities, we will reduce the contribution of the human factor to accidents at work in connection with industrial operations by 50%.

- We will implement a new competency model at Polpharma Group.
- 100% of the Group's employees in Poland will be covered by performance reviews aligned with the new competency model.
- We will increase the number of employees engaged in internal initiatives (including innovation, community involvement, safety, etc.) by at least 30%.

9. We build a culture of diversity.

10. We care about the environment.

11. We build a sustainable supply chain.

KEY METRICS

- We will establish policies and set agendas for different diversity areas.
- 100% of Polpharma Group managers in Poland will be covered by diversity education activities.

- We will reduce energy consumption by 6%.
- We will reduce water withdrawal by 10%.
- We will increase the use of recycled packaging materials to 50%.
- We will recycle 80% of the waste generated.
- We will reduce waste volume by 10%.
- We will implement solutions to support the reduction of CO₂ emissions from passenger transport (promoting carpooling, regular eco-driving training, CO₂ emissions as a criterion when purchasing fleet vehicles).

- 100% of our suppliers will receive the Polpharma Group Supplier Code of Conduct.
- 100% of liable suppliers will sign an acknowledgement that they read and understood the Code of Conduct.
- 70% of key suppliers will meet all the requirements of the Code of Conduct.



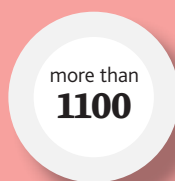
Tomasz Moys,
Vice President of the Management Board of Polpharma SA, President of the Management Board of Polfa Warszawa SA, Member of the Steering Committee of the Ethics Programme Establishment Team at Polpharma Group

In a wide and diverse corporate structure like the one at Polpharma Group, a foundation made of shared ethical values is critical. Despite the often differing traditions which shaped the individual companies in the past and the diverse business cultures of the countries where we operate, we feel that they are an universal feature which integrates the entire group. The system of ethical values established by the Polpharma Group Code of Ethics consists of: respect, integrity, responsibility, solidarity and cooperation. It guides us, showing how to build relationships in and outside the organisation. The values show our attitude towards colleagues and business partners. They also determine our attitude towards key issues such as product quality assurance, ensuring a safe work environment, respecting the dignity of all employees or a focus on environmental protection.

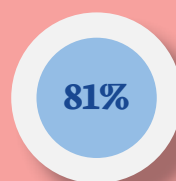
Ethical values and the standards of conduct set out in the Code give assurance to Polpharma Group stakeholders as to the diligence and integrity of our operations. This helps us achieve competitive advantage and set good practices in our broadly defined impact zone. We feel responsible for our surroundings, including their social, economic and environmental dimensions. Therefore, we promulgate our principles along the entire supply chain and we participate in initiatives aimed at raising the standards of economic life in Poland.



employee initiatives were entered for the Green Process Award, generating almost **PLN 7 million** in savings

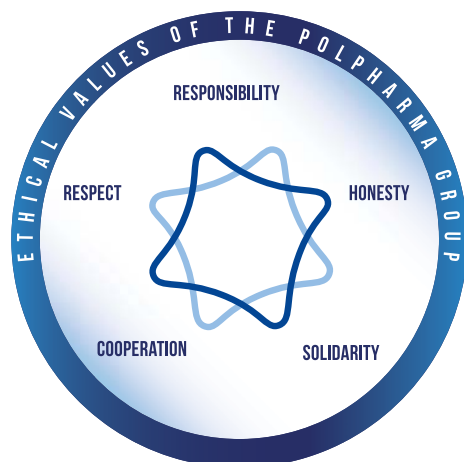


risky situations and behaviours were eliminated owing to the Stop Accidents programme



was the response rate in the 2014 Employee Feedback Survey (Polpharma Group in Poland, without Polfa Warszawa)

THE POLPHARMA GROUP CODE OF ETHICS IS BASED ON ETHICAL VALUES SHARED BY ALL GROUP EMPLOYEES:



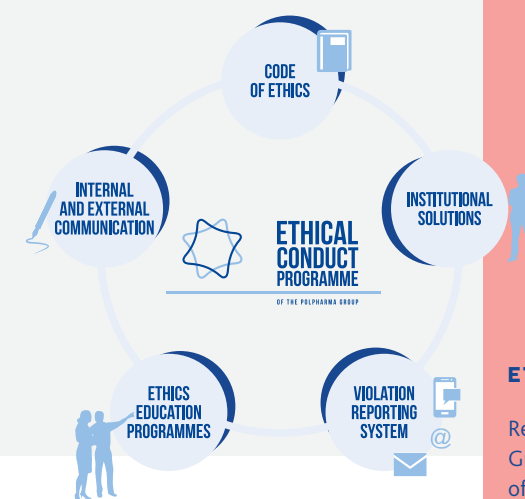
5. WE REINFORCE CORPORATE ETHICS

Shared ethical values and predefined standards of conduct set the tone for our daily choices and activities.

In order to continually improve our culture of ethics, we initiated efforts in 2013 to develop a comprehensive Polpharma Group Ethics Programme. Consultations with employees, an important part of the process, demonstrated that our team perceived a set of shared ethical values as an important business growth driver.

The most important element of the Ethics Programme is the Polpharma Group Code of Ethics, drawn up in an extensive internal consultation process in 2014 and effective from 1 January 2015.

The remaining elements of the Ethics Programme are: ethical education, a whistleblowing system, institutional solutions associated with ensuring the proper functioning of regulations, as well as ethics-related external and internal communication activities.



THE CODE OF ETHICS

The key to the proper functioning of the Code of Ethics is to ensure that its provisions are consistent with employee attitudes and expectations as well as our organisational culture. Therefore, the work was based on extensive social consultations and involvement of representatives of all areas in the development and subsequent implementation of the provisions of the Code.

The work on the Code of Ethics took a year and a half and it engaged almost 2000 employees across the Polpharma Group locations, including top executives. The first stage of the consultation process was an opinion poll, where employees were asked to evaluate the existing culture of ethics at Polpharma Group and to identify the issues which should be covered by the Code of Ethics and the emerging Ethics Programme. During the second

stage, the employees had the opportunity to review the proposed provisions of the Code, express their opinion or suggest changes, either at meetings or through the intranet. The work was accompanied by intensive communication and education activities. Almost 20 meetings with employees in Poland and abroad were held in total.

Owing to the common involvement, the document was created and subsequently approved by the Management Board of Polpharma in December 2014. It has been in force since 1 January 2015. It sets out a system of values, norms and principles which the Polpharma team intends to live by every day. It is also a joint commitment to follow the highest standards in our relations with colleagues, business partners, customers and the broadly defined business environment.

ETHICS FIRST

Results of consultations with Polpharma Group employees preceding the creation of the Code

98% believe that the culture of ethics is important in daily work.

98% are of the opinion that the standards of conduct and ethical values adopted by the company should apply to employees at all levels, including managers, executives and members of the Management Board.

97% are positive that an ethical business attitude is a must for any socially responsible company.

96% believe that unethical behaviours may affect relationships with business partners and thus performance.

95% admit that the company's culture of ethics should refer to values and not only to rules.

The rules laid down in the Code apply to all employees, independently of their positions and nature of their responsibilities, across all Polpharma Group companies in Poland and other markets. **Each employee has received a copy of the Code from his or her line manager and has signed an acknowledgement.**

The Polpharma Group Code of Ethics governs such areas as the role of line managers in the reinforcement of the desirable culture of ethics, relationships with colleagues and business partners, addressing ethically doubtful situations and whistleblowing. The Code additionally addresses our fundamental rules, such as respect for human rights, ban on use of child labour or forced labour, compliance with the rules of fair competition, including compliance with the law, counteracting corruption and conflicts of interest, and environmental protection. As a socially responsible company, Polpharma requires its suppliers and trade partners to conform to high ethical standards, too.

ACCOMPLISHED
IN 2015

✔ **ETHICS – OUR JOINT RESPONSIBILITY**

The creation of the Code of Ethics for all employees to identify with provides a solid foundation for many years. Importantly, its individual provisions have to be expanded on in practice in the form of effective procedures and mechanisms supporting the continued reinforcement of the culture of ethics, including response to and clarification of situations which may raise ethical concerns. In 2015, as part of Programme development activities, our focus areas included:

- the whistleblowing and non-compliance investigation procedure,
- the anti-corruption procedure and procedure on gifts and other advantages,
- a system of regular training covering all employees,

- an Ethics Programme information package being part of the induction programme for new employees.

In parallel, we worked to harmonise the ethical standards in our foreign companies and representative offices of Polpharma Group.

Advice on ethical questions and whistleblowing

The general rule in our Ethics Programme is that managers are engaged in the promotion of ethical conduct and addressing of ethical concerns. This applies not only to executives, but also to mid-level managers. Therefore, the line manager is the first point of contact for an employee with any ethics-related issues, including whistleblowing. Only where it is impossible to contact the line manager, each Polpharma Group employee may contact the Polpharma Group Compliance Officer directly. External stakeholders of Polpharma Group may also report ethics violations.

The Compliance Officer appointed under the Ethics Programme monitors the application of the Code of Ethics and employee compliance with the law and certain procedures. He or she offers advice to employees, helping them tackle ethical concerns, and additionally carries out education and training activities. The Compliance Officer conducts investigations on own account or in cooperation with Ethics Teams established within Polpharma Group companies. Those teams are made up of people having the experience and competence required to decide on violations of the law or ethics.

The past two years were marked by efforts geared towards the establishment of a comprehensive Ethics Programme at Polpharma Group.

The key task in the framework of the Programme was to establish the Polpharma Group Code of Ethics. We wanted this document to be unique, to reflect the character of our organisation and the ethical values common to all of us. Therefore, we engaged employees from all our companies in the development of the Code of Ethics, encouraging them to be open and active in the joint effort. The significance of ethics for our organisation was confirmed by the involvement of the company's top executives in the proceedings of the Steering Committee and by the appointment of an interdisciplinary project team composed of managers.

We treat the Ethics Programme as a sign of business maturity and also as an approach to the development of a culture of ethics based on common values. A Polpharma Group Compliance Officer was appointed as part of the Programme to safeguard the adopted rules of conduct. We place a lot of emphasis on employee communications and ethical education. Ethical counseling for employees and a whistleblowing programme which protects whistleblowers against any potential retaliation are also important elements of the programme.



Marcin Musiał,
Polpharma Group
Compliance Officer,
Leader of the
Ethics Programme
Establishment
Team at Polpharma
Group

**HOW TO CONTACT
THE COMPLIANCE OFFICER:**

- face-to-face meeting,
- telephone call to 22 364 60 29,
- email to etyka@polpharma.com
- or by traditional post to Compliance Officer, Polpharma Trade Office Sp. z o.o., ul. Bobrowiecka 6, 00-728 Warszawa



Ethical Marketing and Sales

Nasze wartości, charakter działalności oraz prawo farmaceutyczne nakładają na nas szczególne zobowiązania w zakresie komunikacji z otoczeniem, zwłaszcza w odniesieniu do wiarygodnej, rzetelnej reklamy i promocji.

We respect the applicable legal standards and industry guidance on marketing communications, such as the **Code of Pharmaceutical Marketing Ethics of the Polish Union of Pharmaceutical Employers** (replaced in June 2015 by the **European Generic Medicines Association (EGA) Code of Conduct for Healthcare Interactions**), as well as the **Code of Ethics of the Polish Association of Self Medication Industry (PASMI)**. They are complemented by restrictive internal procedures on communication with patients and the medical and pharmaceutical professionals.

We approve more than **3000 pieces of advertising and promotional material** for medicinal products, medical devices, cosmetics, food supplements and dietary foods for special medical purposes every year.

- All promotional material contains clear information helping doctors and patients make informed choices with respect to medicines or other products.
- We established **e-Medical Legal (e-ML)**, a special system which assures that each product is presented in a fair and ethical way; all promotional material: TV and radio commercials, online advertising, printed material (folders, brochures, posters), mobile content, etc. are verified and approved through that system.

Recognised and Rewarded

Polpharma's observance of high standards in selling activities is confirmed by the Ethical Sales and Customer Service Management Certificate awarded in the 6th edition of the Polish National Sales Awards (2014), whose objectives include the reinforcement of the ethos of a professional seller.

We as employees are proud that Polfa Warszawa was able to participate in the drawing up of the Code of Ethics alongside other Polpharma Group companies. The implementation of the Code was preceded by extensive social consultations. This process included surveys and face-to-face meetings. We were updated on successive work stages and outcomes on an ongoing basis. During the activities, we became the co-authors of a document laying down the principles and values that guide us every day. Respect, integrity, responsibility, solidarity and cooperation are all embedded in our professional and private lives. Our suggestions and ideas are reflected in the Code of Ethics, helping us identify with its content. The standards laid down in the Code are not strange to us, they were created by us and for us. We are perfectly aware how important it is to respect them, especially considering the substantial value we create for our customers, people who are ill and need help.



Renata Zań



Marta Zwierzyńska



Michał Chudy



Mariusz Staruk

Employees of Polfa Warszawa S.A., a Polpharma Group company since 2012

EGA Code of Conduct

As a member of EGA (the European Generic and Biosimilar Medicines Association), an organisation of top European manufacturers of generics and follow-on biologics, we committed to respect the rules of the Code of Conduct for Healthcare Interactions adopted by EGA in late 2014. This document contains specific guidance on relations with the medical community, regulating not only marketing communications, but also interactions with patient organisations and medical experts, education of the medical community or community involvement.



IN THE ETHICS OFFICERS COALITION

We are a member of the initiative group of the Ethics Officers Coalition, which is aligned with the objectives of the UN Secretary-General Global Compact Initiative in Poland. The Coalition was established on 10 December 2014 as part of the Programme Business and Human Rights. Implementation of the UN Guiding Principles on Business and Human Rights 2014–2020. The inaugural meeting of the Ethics Officers Coalition was held on 8 April 2015 and gathered more than 70 participants.

The main objective of the Coalition is to jointly develop a standard for ethics programme management for businesses and institutions in line with the UN Guiding Principles on Business and Human Rights. Additionally, the Coalition serves as a platform for sharing best ethics management practices based on Polish and international business experience.

We regard our involvement in the establishment and work of the Coalition as a responsible form of sharing our ethics expertise. We hope that the activities of the Coalition will contribute to the improvement of standards of economic life in our part of Europe.

- In the reporting period:
- we did not record any material incidents of non-compliance with laws and regulations concerning the provision and use of products and services which would result in a fine imposed on our company.
 - there were no incidents of non-compliance with voluntary codes concerning marketing communications, including advertising, determined in a judgment or decision of a state authority, disciplinary court or an ethics committee of an industry organisation.

Business practice in Europe and globally places increasing emphasis on the transparency of activities and corporate social responsibility. This applies in particular to the pharmaceutical industry. International organisations of drug manufacturers set high ethical standards for themselves in an environmental self-regulation process with respect to their commercial and marketing activities. EGA is headed in the same direction, having published its Code of Conduct for Healthcare Interactions, designed to cover that kind of cooperation to the widest extent possible. The Polish Association of Pharmaceutical Industry Employers, as an EGA member, has adopted the solutions and obligated its members (including Polpharma) to apply them.



Wojciech Kuźmierkiewicz, Vice President of the Polish Association of Pharmaceutical Industry Employers, representing Polish employers at EGA

6. WE ENSURE HIGH PRODUCT QUALITY AND SAFE PHARMACOTHERAPY

We are responsible for human health and life, therefore we do not compromise on the quality and safety of our products. These are the priorities at every stage of product life – from development through manufacturing and storage to distribution and sales.

We are also responsible for ensuring the compliance of our activities with the provisions of the Pharmaceutical Law and related provisions as well as European directives. We are obliged to adapt our organisation to the changing law, placing the right emphasis on provisions governing the prevention of drug counterfeiting. We control the entire supply chain, verifying

and confirming the quality of our sub-suppliers, supply chain, verifying and confirming the quality of our sub-suppliers.

Moreover, it is the responsibility of each marketing authorisation holder to evaluate the advantages and risks of pharmacotherapy for all medicinal products. On behalf of Polpharma Group, this requirement is met by the Corporate Medical Unit.

Pharmacovigilance involves the ongoing assessment of the drug safety profile and mitigation of therapy risk by providing up-to-date information about the drug to health care professionals and end customers – patients and their families.

QUALITY MANAGEMENT

All our drugs and pharmaceutical substances are manufactured in accordance with the standards of the Good Manufacturing Practice (GMP), which is confirmed by certificates issued by the Chief Pharmaceutical Inspector. Conformity to the most stringent quality standards in the manufacturing of APIs is additionally evidenced by the results of scrutiny carried out by the US Food and Drug Administration (FDA). All FDA inspections so far (in 2004, 2009, 2012 and 2015) were successful.

Reproducible top quality necessitates not only advanced technologies and comprehensive quality control and assurance systems, but also responsible employee attitudes. Therefore, through an appropriately selected and implemented training scheme and predefined daily communication standards, we ensure that each

employee is aware that his or her actions may have a direct or indirect impact on the quality of our products.

Considering the very wide product range, which – aside from drugs – includes medical devices, food supplements, dietary foods for special medical purposes and cosmetics, relevant manufacturing divisions are additionally subject to inspections by Certification Bodies and District Sanitary Inspectorates (Sanepid).

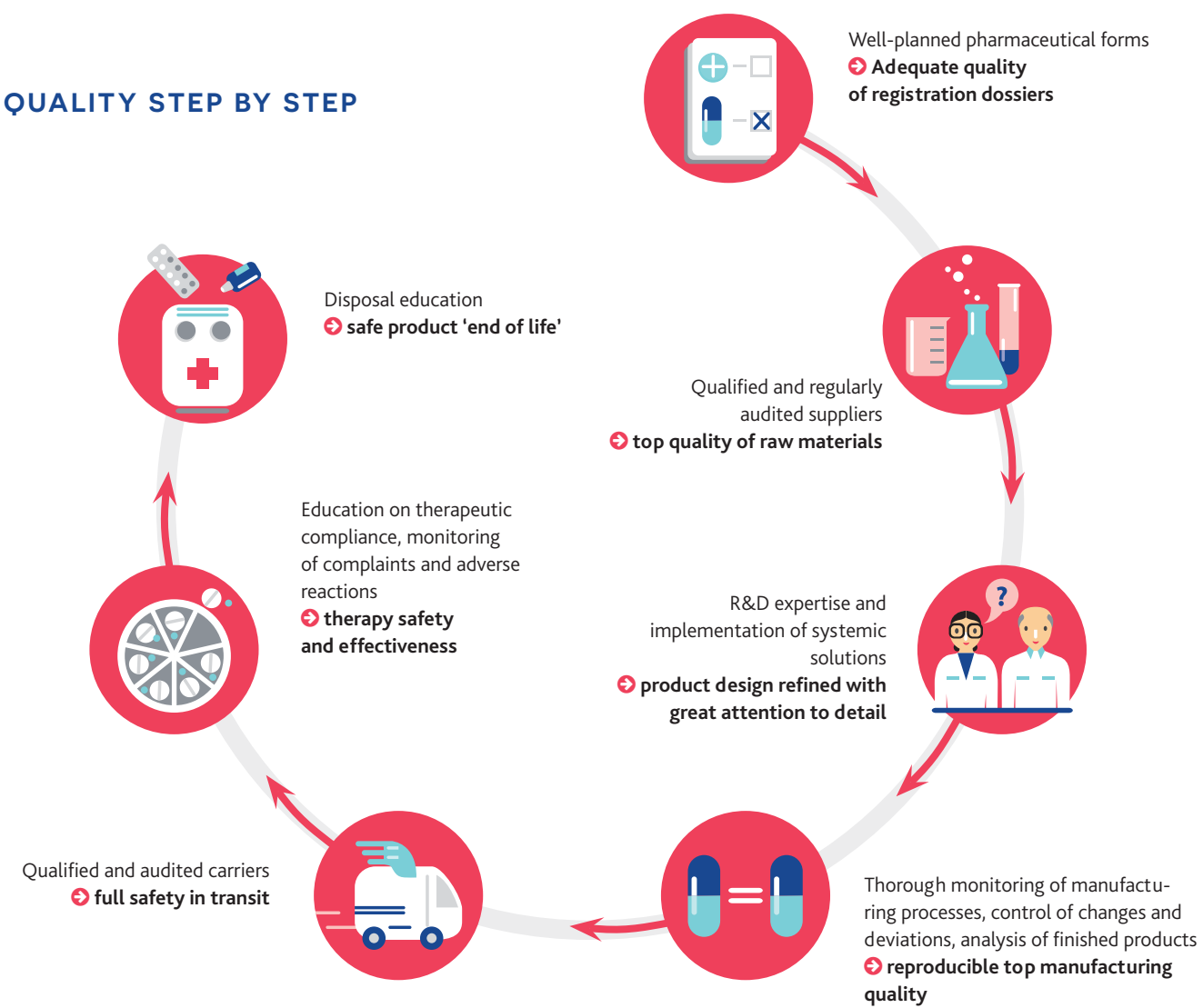
We are subject to a range of inspections as a medicinal product manufacturer. The process itself is extremely important to the organisation, offering the opportunity for continuous development. The results of audits and inspections are communicated to the Management Board level. A successful outcome, especially in the case of certification bodies, is always a priority for all employees.

We are subject to regular inspections carried out by the Chief Pharmaceutical Inspector, regulatory bodies in the countries where we distribute our products, certification bodies and finally customers. On average, approximately 50 audits and inspections take place annually at the Pharmaceutical Works in Starogard Gdański. It means that in every working week in 2013 and 2014 there was at least one audit or inspection day in a given manufacturing area. The number of audits and inspections in the other Polpharma Group businesses is also high. It is noteworthy that we, as Polpharma Group, carry out almost 150 audits annually on our suppliers. This is in line with the pattern of ensuring thorough supervision over the supply chain and maintaining the right quality of production materials. We also audit analytical, manufacturing and manufacturing-related service providers. All those activities require a great deal of effort and can only be carried out by experts. Each of our auditors undergoes a preparation programme ending with certification in the respective area.



Marcin Turzyński, Polpharma Group Quality Manager

QUALITY STEP BY STEP



We keep a steady level of investment across all businesses to maintain top product quality while preserving our competitive advantage.

We invest in quality on many levels. We develop and upgrade our machinery, auxiliary systems and control systems (for the visual inspection of finished products). We implement new IT systems, providing support for the available quality

solutions, while promoting innovative approaches. Finally, we invest in our people, developing the competences of subject-matter experts and specialists.

We ensure that our drugs meet the most stringent quality standards throughout their shelf life. We carry out long-term stability testing to control long-term product behaviour. We look at even the slightest deviations from specifications with utmost concern, with respect to both products and packaging materials. In 2013–2014, Polish Polpharma Group companies filed applications for 9 product withdrawals, which demonstrates our conscious and responsible quality management, and is also a preventive measure taken by the organisation.

Complaint as an Important Change Trigger

Each customer making a complaint is treated on a case-by-case basis. We do not ignore any information or reports. We encourage our patients to share their observations, expectations and reservations. Feedback on product quality is critical to us, offering an opportunity to implement corrective measures and for continuous improvement.

All complaints are recorded in detail. We carry out an individual investigation of every incident. We always maintain regular contacts with the patient.

The acceptable complaint rate is clearly defined in every organisation. The complaint rate in the Group is one of our closely monitored predefined quality indicators. The value varies depending on the specific nature of the manufacturing area concerned. For example, the indicator value for Pharmaceutical Manufacturing Plant in Starogard Gdański is set at **0.65 ppm (0.000065%)**. It means that the **acceptable complaint rate is less than one defective packaging per million**. This value is reviewed and evaluated on an annual basis.

SAFETY OF PHARMACOTHERAPY AND MEDICAL INQUIRIES

For many years, we have focused on ensuring the best possible pharmacotherapy-related protection to our patients and on minimising the side effects of use of medicinal products, which translates into improved safety of treatment.

Seeking to minimise the risk associated with the use of our drugs, we carry out continuous pharmacovigilance activities. We place a particular emphasis on the analysis of any information we receive about adverse reactions. The medical evaluation of such insights includes the analysis of causes, severity assessment, impact of

comorbidities on the development of an adverse reaction and effect of other medications taken in parallel. On the basis of the known adverse reactions, we carry out the final evaluation of the benefit-risk balance of drug use. The results of the assessment form the basis for measures aimed at improving product safety. For example, we implement recommendations from competent European Union authorities relating to information provided in printed information material and other measures aimed at minimising the risk of pharmacotherapy.

When I was implementing the pharmacovigilance system at Polpharma for the first time, I did not expect it to become a corporate system covering so many countries a few years later. I am happy that patients speaking different languages can go to us for support and expertise in their mother tongue needed to ensure a successful and safe therapy. It is a pleasure to look at the Medical Department Team – a group of professionals, reliable and open people who share their experience to others and consistently improve their knowledge. I am confident that the pharmacovigilance system and medical information system built in Polpharma over the years offers good support to patients. But, as Winston Churchill said, “now this is not the end. It is not even the beginning of the end. But it is, perhaps, the end of the beginning.” The pharmacovigilance system is a quality-based system and as such, it requires continuous improvement and development. Our entire team is committed to that development. We have one common goal: to live up to the big challenge of “People Helping People”.



Izabela Słowik,
Medical and
Pharmacotherapy
Safety Director,
Polpharma Group

Medical Inquiries

Provision of reliable drug information to patients is an equally important element of the protection system, involving the communication of all new hazards identified as a result of the analysis of available data. This important role has been assigned to the Medical Department. To ensure that our patients can access the latest knowledge on our medicinal products, already a few years ago we implemented a medical inquiry management system covering all Polpharma Group companies and foreign representative offices.

Patients can ask questions and obtain information in all countries where Polpharma Group's drugs are sold. For that purpose, we also provide a telephone line and a contact form available at www.polpharma.pl which diverts inquiries directly to the inboxes of the staff of the Medical Information Unit. We additionally launched a help line owing to which a patient who calls a telephone number provided on a leaflet has a choice to make a quick call relating to a medical inquiry or an adverse reaction report.

PRODUCT LABELLING

Information on Polpharma Group medications is provided in the summary of the product characteristics (information for health care professionals), patient information leaflet and on product packaging. The type of information, its content and placement are governed by national and EU medicinal product registration procedures. Legible packaging information and product leaflets are an important factor in the effectiveness and safety of therapy. They meet the requirements of the pharmaceutical law and EU guidelines. Patient information leaflets are subject to readability testing, which means that they are consulted with the target users of the medicinal product concerned. This assures that patients can locate the information provided in the leaflet and understand how to handle the product. The patient information leaflet provides key information, such as ingredients, pharmaceutical form, indications and contraindications, dosage and route of administration, necessary precautions, potential interactions with other drugs, adverse reactions or storage conditions. Permanent elements of labelling include the name, dosage, pharmaceutical form and ingredients, packaging contents, route of administration, expiry date, storage

conditions, availability category and marketing authorisation holder.

We address the needs of the blind and visually impaired. In accordance with EU requirements, we put Braille information on our product packagings (a tactile writing system for people who are blind or visually impaired) and we publish audio versions of our product leaflets. The Ulotka Audio system provided by MEDsynC was devised in close cooperation with the Polish Association of the Blind, and it is recommended by the organisation as a product which is friendly to the visually impaired.

Responding to patient needs and listening to the recommendations of pharmacists, we have established a **communication window** which plays a major role in therapeutic compliance. It is placed on the packaging of selected Rx drugs and comprises two boxes. One of them is dedicated for the pharmacy price tag, so that the tag does not obscure other important information. The other field is for the dosage regimen.

The number of medical inquiries answered is growing every year. Patients are often concerned about how they should take their medication in relation to meals, what and how much they should drink to wash it down, or even about the temperature of the beverage. Parents wonder how they should administer the drug to their child – can they add it to his favourite juice or meal, can they crush a pill or break it into halves, empty a capsule and mix the contents with liquid? Moreover, patients tend to have concerns about combinations of drugs, their potential interactions. We usually respond on the basis of officially approved documents, but in most cases more thorough research in other sources is also necessary (current guidance, publications). We are also supported by our Quality, R&D and Regulatory Units.

Our greatest satisfaction comes from positive feedback and such remarks as "now I understand, thank you".



Dorota Kucharska-Pacho,
Senior Medical Information Manager,
Polpharma Group

In 2013 and 2014, the Polpharma Medical Unit answered **2960** medical inquiries.



7. WE ENSURE AND PROMOTE ELEVATED STANDARDS OF WORK SAFETY

We always put people and their health and safety first. OHS means much more to us than just adapting our work places to current regulations. We keep looking for ways to make the work environment, tools and conditions even safer, more comfortable and friendly. A mandatory OHS training scheme covers not only our employees, but also external contractor staff working on our premises.

In 2013, we joined Healthy Workplaces – Working together for risk prevention, a campaign of the European Agency for Safety and Health at Work (EU-OSHA) which promotes this aspect of professional and personal life.

Prevention is of critical importance to us. Through a variety of education activities and internal communication tools (regularly published BeHaPoskop and Safety info serwis guides, corporate newsletters Panaceum and Remedium), we make our employees aware that their daily behaviours, habits and attitudes are of crucial importance to their health and safety, not just in the work place.

Conformity to the most stringent standards of safety is evidenced by a honourable mention in the 2014 edition of the Culture of Safety competition held by the Central Institute for Labour Protection – National Research Institute, European Agency for Safety and Health at Work and Kirschstein & Partner, a consulting company. The jury recognises companies which successfully balance business activities and work safety.

The safety of our employees is our priority. We make efforts to provide safe and ergonomic work places and innovative protective equipment and tools to reduce the occurrence of accidents at work and occupational diseases. Only healthy and satisfied employees can be committed to their responsibilities. Therefore, we make every effort to encourage our employees to lead healthy lives and take care of their safety. We are convinced that thinking of one's own safety and the safety of others can only be effective if it is 'in your blood'. We are making it happen, promoting safe behaviours at work, during commuting, at home and beyond. Building such a broadly defined culture of safety is a time-consuming and tough process, but the effects are worth any effort.



Sylwia Janowicz,
Head of the Department for Environmental Protection and Work Safety,
Polpharma SA

FOR HEALTH AND SAFETY



Selected initiatives carried out in 2013 and 2014

• special work zone

In 2014, we created a special zone in our Pharmaceutical Analysis Development Unit of the R&D Department to work with substances which, in accordance with the Safety Data Sheet and classification by the OHS Unit, require the use of more stringent safety precautions. Work safety in the zone is guaranteed by the personal protective equipment used, but also by the zone design and equipment as well as appropriate work organisation.

• Safe Driving Day

We promote safe driving all year round, but on 25 July, the Safe Driving Day, the issue receives more attention than ever. On that day, we run an information campaign motivating car users to employ the right attitudes and demonstrate safe behaviours on the road.



• **Safe Fleet (Bezpieczna Flota)**

We have one of the largest vehicle fleets on the market, mostly to support our sales force. The programme, initiated in 2012, includes a range of interrelated elements which considerably improve the safety of company car drivers. Safe Fleet involves, among other things: the Safe Driving Code, promoting the principles of eco-driving and sustainable transport, training and practice to improve on safe driving techniques and first aid skills and implementation of corporate standards for company car equipment. The safest company car drivers are rewarded with attractive prizes.

• **First aid training**

We would like first aid to be a natural instinct for our employees and associates. Therefore, we take advantage of some meetings organised on our premises – such as the Week of Work Safety and Health events – to provide first aid training. During the Open Day, we additionally promote and teach first aid to our visitors.

• **OHS competitions**

We organise a wide range of competitions with an attractive formula and prizes to effectively raise the awareness of behaviours that improve employee safety. For example, in 2014 we encouraged our staff to take part in Shine and Get Noticed (Zabłyśnij i daj się zauważyć), a photography contest promoting the use of reflectors in the dark.



• **The Stop Accidents (Stop Wypadkom) programme**

The programme promotes and rewards the engagement of employees in safety and prevention at work. The desirable proactive attitude is demonstrated, for example, by watching out for and reporting of all hazards, near misses or dangerous situations. The most active employees get attractive rewards.

• **Medical rescue competitions**

In May 2014, we held a medical and chemical rescue competition for the employees of the API facility. The On-Site Fire Brigade supported us in the organisation of the event. Teams competed in four fields, which included the rules of first aid, firefighting and chemical rescue.

THE STOP ACCIDENTS PROGRAMME IN FIGURES

2013

547 the stop accidents programme in figures

75% of reports concerned technical issues

17% of reports concerned human issues

8% of reports concerned organisation issues

2014

580 risky incidents, situations and behaviours eliminated

67% of reports concerned technical issues

21% of reports concerned human issues

12% of reports concerned human issues

A Difficult Lesson

In 2013, there was an accident in our Starogard Gdański facility involving an employee of an external contractor, resulting in severe bodily injuries. We performed a thorough analysis of this tough incident and we applied the lessons learnt, covering the employees of external contractors working on our premises with additional procedural activities and continuous improvement, also as part of the training provided to them. Additionally, we implemented a pilot Lock Out Tag Out system, whose purpose is to prevent accidental operation of equipment during its maintenance. This way, we want to prevent such situations from reoccurring in the future.



TRAINING FOR SUBCONTRACTORS

1. Every non-employee working on the premises of Polpharma must complete additional induction training on OHS and fire safety.

2. The training is valid for two years. After that time, it must be refreshed.

3. Persons bringing subcontractors on site are obliged to deliver a safety statement and risk assessment for the work to be carried out. The subcontractor receives induction training from the OHS Unit and On-Site Fire Brigade.
4. During the training, the subcontractor fills out an individual safety statement and receives our Bezpieczadło safety brochure.

5. Once the subcontractor delivers the documents and completes the training, he or she can proceed to work.







Our focus on work safety includes all persons supervised by the organisation, both our staff and employees of companies working on our premises. Training sessions, field meetings with employees and supervisory authorities, audits and inspections are our daily routine, as part of the promotion of a culture of safety at work. Each incident representing a violation or deviation of the generally applicable rules is scrutinised in order to take corrective and preventive measures so that similar incidents do not occur in the future. Incidents posing a potentially high risk of accidents are reported in corporate newsletters. During training provided to subcontractor staff, we play our corporate OHS-themed videos, we discuss the rules of safety at work and we answer questions. We spare no efforts to make every participant of the meeting convinced that they will be satisfied with working on our premises and will not suffer any unpleasant consequences.



Rafał Peta,
Senior OHS
Manager, Chief
OHS Specialist,
Polpharma SA

SUBCONTRACTORS COVERED BY TRAINING AND HAZARD BRIEFING

	2013	2014
HAZARD BRIEFING	875	1084
TRAINING	161	213

	2013			2014		
			Total			Total
Number of work-related fatalities	0	0	0	0	1	1
Number of minor injuries at work	17	15	32	17	20	37
Number of severe injuries at work	0	0	0	0	0	0
Overall injuries	17	15	32	17	21	38
Injury rate <i>(IR) (all Group employees)</i>	4	4	8	4	5	9
Number of cases of occupational diseases	0	0	0	0	0	0
Occupational diseases rate (ODR)	0	0	0	0	0	0
Lost days due to accidents and injuries at work	303	244	547	443	579	1 022
Severity rate	18	16	17	25	30	28
Lost days due to diseases	34 859	15 448	50 307	35 225	16 092	51 317
Total lost days (including due to diseases)	40 847	17 409	58 256	41 796	19 355	61 151
Absentee rate (AR)	7 831	3 337	11 168	8 013	3 711	11 723

8. WE NURTURE EMPLOYEE GROWTH AND COMMITMENT

Polpharma means people, their experience, knowledge and passion. Therefore, we are committed to ensuring that our fair and wise HR policy, consistent with our system of values and focused on comprehensive development and engagement, makes a difference and gives us the competitive edge.

We guarantee equal treatment to all employees, irrespective of their gender, race, origin, religion, sexual preferences or disabilities. We also ensure unbiased performance reviews and transparent procedures, from internal and external recruitment through training and professional development to career paths.

Employment

Polpharma Group has 4224 employees in Poland. Owing to our employees, their competence and engagement, we are able to achieve ambitious objectives. Therefore, it is extremely important for us to attract the best talents, and then to create optimum conditions for them to make them want to stay and grow their potential in the long term.

We provide a friendly and creative work place, competitive remuneration principles, broad opportunities for professional development and a comprehensive employee benefit scheme. Considering the unique competence of our staff, each resignation is a substantial loss. Therefore, we seek to be the employer of choice, which gives us a guarantee of maintaining a stable, experienced and close-knit team.

Polpharma is a key employer in the Kociewie region. It maintains a stable high level of employment, fully respecting the applicable rules of labour law. Polpharma is also a good example of an employer caring for a high level of employee safety. I hope that Polpharma's business in Starogard Gdański will continue to develop.







Arkadiusz Banach,
Director
of the District
Employment
Office in Starogard
Gdański

For years, the Polpharma Group HR strategy has been based on development and optimum use of the potential of our staff. HR processes are designed to offer the best possible match between business expectations and the capabilities and ambitions of the Group's employees. We keep improving our HR tools and solutions to maximise their user friendliness and align them with the current and future strategic development objectives of our organisation. In 2014, we initiated work to update our employee competency model. Having a coherent and comprehensible model, we will harmonise the approach to the assessment and development of key competencies across all job levels. Dozens of people from different companies representing all corporate functions took part in the development and testing of the tool. Suggestions and views of our employees are extremely valuable. We carry out an employee feedback survey on a regular basis. Its findings and the resulting initiatives are developed in a collaborative manner by our organisation and are reflected in the final form of our HR solutions.



Dorota Piskorska,
Corporate
Development
and HR Director,
Polpharma Group





	2013			2014		
			Total			Total
TOTAL NUMBER OF EMPLOYEES						
PROBATIONARY PERIOD	0	0	0	0	0	0
non-permanent	179	202	381	167	201	368
permanent	2 055	1 661	3 716	2 050	1 705	3 755
replacement	52	24	76	72	29	101
to perform a specific task	0	0	0	0	0	0
TOTAL WORKFORCE WITH EMPLOYMENT CONTRACTS	2 286	1 887	4 173	2 289	1 935	4 224
by gender:						
management contracts	0	0	0	0	0	0
self-employed but working for the group as regular employees	0	0	0	0	0	0
employees supervised by the group (apt)	0	0	0	0	0	0
GRAND TOTAL	2 286	1 887	4 173	2 289	1 935	4 224
TOTAL NUMBER OF PERMANENT EMPLOYEES						
full-time basis	2 258	1 866	4 124	2 270	1 913	4 183
part-time basis	28	21	49	19	22	41
TOTAL	2 286	1 887	4 173	2 289	1 935	4 224

Comprehensive Development

We owe our dynamic growth to our staff, their openness, curiosity, engagement and constant willingness to improve their qualifications. At the same time, we are aware that opportunities for comprehensive improvement are a great incentive. Our employees appreciate the fact that we offer unique development opportunities, also through participation in revolutionary projects that are often innovative from the perspective of the entire region. Therefore, we place particular emphasis on continuous improvement based on the 70/20/10 ap-

proach. For many years, we have provided an extensive training programme to our employees, tailored to individual business needs. Employee development planning is based on competency assessment and performance reviews. Each employee can access the results of the assessment in the form of a clear graph available online. Regular assessment discussions with line managers and annual and interim reviews of objectives facilitate the refinement of development plans.

The year 2014 brought a number of important changes in the training area. First and foremost, the approach to development within the Group was structured around the 70/20/10 framework, a clear system of career paths was designed, and information on available professional growth opportunities was disseminated (the HR Portal, Training Curriculum).

	2013							2014						
														
AGE	≤ 29	30-50	51 ≤	≤ 29	30-50	51 ≤		AGE	≤ 29	30-50	51 ≤	≤ 29	30-50	51 ≤
							Total							
Turnover	51	133	34	24	119	29	390	Turnover	45	99	35	26	84	31
							Percentage							
Turnover rate	1%	3%	1%	1%	3%	1%	9%	Turnover rate	1%	2%	1%	1%	2%	1%
							Total							
New employee hires	102	133	10	101	142	9	497	New employee hires	100	132	5	93	108	2
							Percentage							
Rate of new employee hires	2%	3%	0%	2%	3%	0%	12%	Rate of new employee hires	2%	3%	0%	2%	3%	0%

70/20/10: Development as a Continuous Process

We believe that development should be perceived as a continuous, holistic process, the sum of all experience acquired on our own account and from others in our daily jobs, supplemented by knowledge from formal training. We had followed this approach intuitively for many years until it was formalised in 2014 through the establishment of the 70/20/10 development framework, which had been proven by the best companies in Poland and worldwide. The implementation was preceded by e-learning which was aimed at emphasizing the significance of employee empowerment and responsibility for own development.

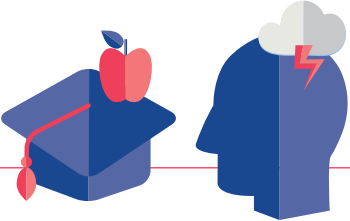
THE 70/20/10 FRAMEWORK

- 70%

of learning and development happens through practical experience and problem solving.
- 20%

occurs through receiving and analysing of feedback, observation and working with others who serve as role models – line managers, trainers, coaches.
- 10%

happens through formal training, workshops, conferences, seminars or specialist literature.



The Training Curriculum

In response to the expectations of our employees expressed, for example, in feedback surveys, we developed two practical tools: the HR Portal and the Training Curriculum. The innovative HR Portal available on the intranet is a source of hands-on and up-to-date HR knowledge, including training and development. The Training Curriculum is a list of training proposals recommended for individual job groups. Every employee can choose a classroom training from that list during the year in coordination with his or her line manager.

In 2014, the first pilot year of the programme, the Training Curriculum mainly covered managers. The tool received very good feedback, and so starting in 2015, we extended the self-managed development system to all employees. To participate in a recommended training event, all you have to do is to consult the timing with your line manager and accept the selection in the system.





In 2015, new development tools were added to the Training Curriculum: e-learning and audiobooks.

- Furthermore, we continue and develop skills management and lifelong learning programmes proven in the previous years, that support the continued employability of employees:
- Career Engine – a leadership development programme at Polpharma Group,
 - LIDER Programme – supporting newly hired staff and newly appointed managers in building engaged and motivated teams,
 - Polfa Warszawa Manager Academy – a series of training courses addressed to team managers,
 - subsidies for university studies, including postgraduate studies developing management skills, within the available budget.

Career Paths

The new career path system established in the first half of 2013 supports employees who want to fulfil their professional ambitions through internal promotions. The system harmonised job titles, providing clear and transparent promotion criteria. A review of promotion opportunities, combined with a review of remuneration, is carried out twice a year. The long-awaited changes included the extension of career paths in the commercial function.

The introduction of new career paths was preceded by 25 meetings held by the HR Department. The information campaign attracted a lot of interest to career paths, helping the system to establish itself in our company. Its effectiveness is best proven by the fact that by the end of 2014, as many as 941 changes were made to individual terms of employment (including promotions) owing to the career paths.

	2013			2014		
			Total			Total
Total number of employees	2 286	1 887	4 173	2 289	1 935	4 224
Managers and executives	206	287	493	229	299	528
Individual contributors	2 080	1 600	3 680	2 060	1 636	3 696
HOURS OF TRAINING PER EMPLOYEE BY EMPLOYEE CATEGORY						
Managers and executives	4 457	6 971	11 428	6 147	9 103	15 250
Individual contributors	18 527	12 506	31 033	23 428	15 333	38 761
Total hours of training	22 984	19 477	42 461	29 575	24 436	54 011
AVERAGE HOURS OF TRAINING PER EMPLOYEE BY EMPLOYEE CATEGORY						
Managers and executives	22	24	23	27	30	29
Individual contributors	9	8	8	11	9	10
Total hours of training	10	10	10	13	13	13

We Appreciate Employee Initiative

We have created a clear and transparent incentive scheme which rewards employees for outstanding performance, daily commitment and respecting our system of values.

Considering that our business is driven by continuous improvement and looking for innovations in every business area (for more information, see pp. 76 and 77), we reward employees for particular achievements in this field through our long-standing programmes and competitions:

- **The Amber Galen Award (Nagroda Bursztynowego Galena)** – a key honour within Polpharma Group, awarded for 15 years to people and teams demonstrating excellent performance and exceptional attitudes and meeting our corporate values to the fullest extent possible.
- **Innovation of the Year (Innowacyjność Roku)** – a competition that rewards the best process, product or organisational innovations submitted by our employees (for more information, see p. 76);
- **Kaizen** – a competition supporting a culture of continual small improvements in daily work; we reward the best idea, the most active programme participant and the best team; in 2013 and 2014 we recorded the highest number of ideas put forward and accepted in an edition ever – key ideas generate benefits estimated at over one million PLN annually,
- **The Green Process (Zielony Proces)** – a competition promoting environmentally friendly initiatives and aligned with the concept of sustainable development.

Employees are additionally recognised for their outstanding efforts through the Rewards Scheme. Credits awarded by line managers can be exchanged to attractive prizes through the MyBenefit platform. In 2014, managers recognised their employees via the Rewards Scheme on 2000 occasions.

Friendly Workplace

We make every effort to keep our working environment free from harassment and discrimination.

We focus on open dialogue, encouraging everyone to contribute.

Labour unions, the workers' council, on-site labour inspectors and on-site OHS committees are all valuable discussion partners. We provide a comprehensive employee benefits scheme to our staff. We seek to align all benefits around the themes of health and well-being. For instance, the MultiSport package and extended medical plans are very popular.





All employees with employment contracts, whether on a full-time or part-time basis, enjoy the same access to benefits and allowances arising from generally applicable provisions of law in particular locations/ companies. We subsidise employee holidays, sport activities and participation in cultural events. Employees can take out housing loans or receive emergency assistance. Employees are also covered by an extended private medical plan (in 2014 this did not apply to the employees of the Manufacturing Division in Nowa Dęba, who are to be covered by that extended plan soon). They can also take out life insurance on preferential terms (whether working on a full- or part-time basis). Certain benefits are also available to persons hired under civil law contracts or as temporary staff, depending on the capabilities of the company concerned.

KAIZEN: TINY IMPROVEMENTS, BIG BENEFITS

	TOTAL OUTCOMES IN 2013 AND 2014
IDEAS PUT FORWARD	1359
IDEAS ACCEPTED	972
BENEFITS [PLN]	1 117 612 (value of 8 key ideas)

At the Pharmaceutical Works in Starogard Gdański, the Biotechnology Division in Gdańsk, Polfa Warszawa and Medana Pharma, there are collective bargaining agreements covering all workforce in place (except management boards). In the remaining companies and divisions of Polpharma Group – Manufacturing Division in Duchnice, Manufacturing Division in Nowa Dęba and Trade Office in Warsaw – remuneration policies are in place.

PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS

	2013			2014		
ALL				ALL		
MANAGERS AND EXECUTIVES						
92%	89%	94%		94%	91%	96%
INDIVIDUAL CONTRIBUTORS						
82%	79%	85%		83%	81%	86%
PERCENTAGE OF WORKFORCE COVERED BY REVIEWS						
83%	80%	86%		85%	82%	88%

Being Close to Employees and Their Families

We organise a range of events, meetings and team building trips for our employees and their families. Together with them, we celebrate such occasions as the Children's Day or St Nicholas' Day. We also remember about those employees who have already retired. We stay in touch, celebrate their anniversaries, arrange regular meetings on the occasion of the Seniors Day and we offer special benefits (such as medical care).

Polpharma Open Day, held every spring in Starogard Gdański, is a special event where our employees can show their work place to their families and friends. This day is full of attractions, such as shows, process simulations and chemical experiments. It is also a unique opportunity to do something good for your health and for the environment. During the Open Day in 2014, our activities included testing for heart age as part of the Pressure for Life campaign. We also promoted sustainable transport, inviting the participants to a bike safety town and a bike service station. Automotive enthusiasts, on the other hand, were encouraged to join an eco-driving course.

Every Voice Is Important

Employee opinion expressed in our cyclical Employee Feedback Survey is particularly important. The survey, carried out since 2006 using a methodology devised by AON Hewitt, covers 20 engagement factors classified into six groups: people, rewards, work, practices, opportunities, quality of life. We extended the range of the study location by location every year. In 2014, employees of all our Polish and foreign organisations were invited to participate in the survey.

The survey enjoyed a great deal of popularity – the average response rate throughout the Group (Poland and other countries) was 79%. The average engagement score for the entire Group was 50%.

As an organisation focusing on continuing self-improvement, we are particularly happy about the improvement of results versus the same survey carried out three years before.

EMPLOYEE ENGAGEMENT SURVEY 2014



	ATTENDANCE	ENGAGEMENT
POLPHARMA GROUP (Poland and other countries)	79%	51%
POLPHARMA GROUP IN POLAND (without Polfa Warszawa)	81%	48%
POLFA WARSZAWA *	76%	32%

** The survey in Polfa Warszawa was carried out for the first time. The company joined Polpharma Group in 2012 and underwent a difficult restructuring process. The results were calculated separately, in order to get the best possible insights on engagement in that company.*

The opinion of our employees matters a lot to us. For seven years, we have conducted the Employee Feedback Survey, one of our key tools in the dialogue with our employees. We do not restrict ourselves to the survey alone. We have gone one step further. We listen to what the people expect, what kind of work place they value and what changes they want. The beginnings were not easy, as it is in the case of any new development. However, starting from the first meetings with our employees, we have been striving to create a climate of mutual trust. We define clear boundaries and opportunities for changes. To depict the scale of the initiative, let me mention that it involves more than 40 meetings for each survey. We create a map of action for the upcoming years using the ideas put forward by our employees. It includes both strategic initiatives (such as the introduction of the aforementioned Training Curriculum or career paths, the Step Forward HR Portal) and tiny changes which still have a major impact on the day-to-day atmosphere and work satisfaction (such as uploading employee photographs in the company contact database). I am certain that we get to know our employees better with each subsequent survey.



Aleksandra Szafraniec,
Head of
Organisational
Development
and Talent
Management,
Polpharma Group

Employer of Choice

We understand this 'choice' in two ways. First of all, we would like young people who enter the labour market to make conscious employer choices, instead of leaving everything to chance, which often determines their future professional life. Secondly, we would like the most valuable students and graduates to choose our company as the place to pursue their professional ambitions.

Those objectives are targeted by our in-house Polpharma Academy programme addressed to the most talented university graduates, which allows them to get an in-depth insight into the business practices of a pharmaceutical company from the perspective of tasks performed by a range of units. Owing to that, the participants of the Academy can contrast their university knowledge with practice, and in consequence, they are able to make informed choices in respect of their working fields and development. Our company, in turn, acquires valuable employees, because as shown by experience from the seven editions of the Academy carried out so far, the best participants usually stay with us after the completion of their traineeship.

In 2014, 15 people participated in the five-day Academy training. We offered paid 7-month traineeship to the best three graduates, which then turned into permanent employment – the three of them are still with us today.

We reinforce our position on the 'employer' market through our presence at major job and career fairs in Poland and HR events abroad. We also initiate a range of own activities to reach valuable candidates (from our perspective). With them in mind, we created the 'Career' section on our website and set up profiles at www.pracuj.pl and LinkedIn. We were involved in the Grasz o Staż programme (a traineeship competition) organised by the Gazeta Wyborcza daily and PwC. We offered paid trainee-

ships to the best participants in Warsaw (for instance in the HR, IT, Procurement, Rx Marketing Units) and in Starogard Gdański (Controlling and IT).

Since June 2014, we have been running a traineeship programme at Polfa Warszawa addressed to adult graduates of technical secondary schools. As part of the cooperation, the students take part in a manufacturing practice, supervised by experienced staff from the Maintenance Unit. This way, we help the young people enter the labour market, while showing our employees how to share knowledge and experience.

Together in Tough Moments

The responsibility for the economic condition of our company, and hence for the fate of our employees, sometimes forces us to optimise our workforce. We spare no effort to make these tough and painful decisions in a responsible way, with full respect for those affected by the process. We always try to look for solutions that will offset the consequences of losing jobs, at least in part. Aside from a package of benefits, our affected employees have the opportunity to retrain themselves to improve their chances on the labour market.

In the recent years, restructuring of workforce covered mostly Polfa Warszawa and Sanfarm, a company which was transformed into the Manufacturing Division of Polpharma SA in Nowa Dęba. Importantly, in the case of Polfa Warszawa, we managed to complete this process mostly in the framework of Voluntary Redundancy Programmes (VRP), which included a range of protective measures, including comprehensive support in the form of activation programmes. The ratio of voluntary redundancies to total reduction of employment was 81.5% in 2012, 50% in 2013 and 31.4% in 2014, respectively. The overarching objective of activation programmes was to provide as much support as possible to the leaving employees,

Polpharma is not a heartless corporation. It is a Polish company where an individual is still important. Jerzy Starak, the company owner, has never taken an easy way out. He has never wanted to discontinue unprofitable businesses. He has fought for them, restructured and upgraded them, while maintaining a high level of social dialogue. While junk contracts are attracting a lot of publicity in Poland, Polpharma hires people under employment contracts and offers stability to many Polish families. Polpharma cares about its employees, which is confirmed by the Employee-Friendly Employer Award (Pracodawca Przyjazny Pracownikom) received in 2014 from the National Commission of the NSZZ Solidarność trade union.



Leszek Świeczkowski,
Chairman of the
Intercompany
Commission of
NSZZ Solidarność

AWARDS AND HONOURS

- **Universum Student Survey**
2013: The Perfect Employer title in the Medicine & Pharmacy category and the third place in the Sciences category.
2014: the second place in the Sciences category and the seventh place in the Medicine & Pharmacy category.
- **Universum Poland's Most Attractive Employers**
2015: The Perfect Employer title in the Sciences category.
- **Reliable Employer of the Decade** (Solidny Pracodawca Dekady) (2014)
- **Employee-Friendly Employer certificate** (Pracodawca Przyjazny Pracownikom) received in 2014 from the National Commission of the NSZZ Solidarność trade union (2014)

helping them to prepare to successfully look for new jobs in the highly competitive labour market. Participants of vocational support programmes had the opportunity to use such assistance as:

- in-house training on innovative job seeking methods, preparation of job application documents, preparation for job interviews, self-presentation, etc.,
- individual job counselling (psychological support, identification of professional capacity, planning of development activities, etc.),
- external training, courses, post-graduate studies and other forms of development allowing to change or improve professional qualifications, subsidised up to PLN 4000.

In our Nowa Dęba Division, on the other hand, we implemented job sharing activities to reduce the scale of required redundancies. The entire crew switched to a 7/8 FTE basis, and the pay was reduced accordingly. To this end, terms of employment had to be consulted with all employees and labour unions. We also searched for jobs for the affected employees in other companies in the neighbourhood and took additional protective measures.

Owing to the responsible attitudes of the employer, employees and trade unions, social effects of the redundancies in the Nowa Dęba Division were minimised. Furthermore, restructuring exercises carried out in other areas were successful and the part-time employment pattern could be terminated earlier than planned.

It is not easy to find a job in our region. Therefore, we appreciate the fact that Polpharma is developing its manufacturing activities in Nowa Dęba, maintaining approximately 160 jobs. Even at the time when the facility needed restructuring following its privatisation, the company made a lot of effort to minimise the extent of potential redundancies, offering employment on a 7/8 FTE basis or looking for jobs in other facilities in the Podkarpace region. This demonstrates responsible thinking and concern about the social effects of the company's activities. Currently, the Manufacturing Division in Nowa Dęba is an example of a well-functioning and modern facility with a significant potential for further growth.



Wiesław Ordon,
Mayor of Nowa
Dęba

9. WE BUILD A CULTURE OF DIVERSITY

As a company with a long-standing inter-generational tradition and with a presence on a number of international markets, we experience the power of diversity ourselves. We employ almost 7500 people in total in Poland and other markets. Each of us is different. We differ in terms of gender, age, experience, family status, lifestyle, and often language and cultural background. However, being able to combine our best assets, we form a creative and close-knit team, ready to face the greatest challenges. Our goal is to create a work environment in which every employee is respected and appreciated, and is able to maximise his or her potential.

We give priority to the issue of equal treatment and providing equal career opportunities to all employees. Building on a foundation which has been developed for years and is valued by our employees, we would like to go further and make diversity one of our key development drivers. That


is why already today we are intensively improving our skills in the area of management and working in diverse teams, for example through workshops and training activities.

In so doing, we acknowledge that we need a diversity lesson more than ever, not only at the level of individual companies, but also for the general public. Demographic trends, especially the inevitable population ageing, clearly indicate that the art of bridging gaps between generations could be a critical skill for the economic and social future of Poland. Being aware of that challenge, we take an active part in efforts aimed at supporting and promoting diversity in Poland. We additionally address this important subject in the public debate during conferences and other events.

Recently, we have initiated education activities aimed at overcoming stereotypes associated with disabled persons. As a company, we are open to employing people with disabilities. However, continuous awareness raising activities in this respect are necessary, especially among managers. Aside from a workshop organised by the Integracja Foundation, we carried out an architecture audit to check the accessibility of our office in Warsaw for people with various kinds of disabilities. Intergenerational communication and age management are further important aspects of diversity. Here, we started with education too, especially in the case of team managers of different ages. We have also obtained funding from the National Training Fund for a training scheme for employees aged 45+. With that funding and additional resources allocated by Polpharma, we plan to provide foreign language classes (English and Russian) and training on cooperation within multi-generational teams, managing multi-generational teams, MS Word, MS Excel and basic computer skills to 230 employees.




Przemysław
Płachetka,
HR Manager,
Poland





THE DIVERSITY CHARTER

Since 22 May 2015, we have been among the signatories of the Diversity Charter. The international initiative promoted by the European Commission brings together companies which follow a policy of equal treatment and equal opportunities and take proactive measures to support social cohesion and equality by engaging themselves in the promotion of diversity of the workforce, business partners and social partners. The constantly growing group of Charter signatories spans companies from a wide range of sectors, representing most European countries, including 119 Polish undertakings (as at 28 October 2015).



ACCOMPLISHED IN 2015

COMPOSITION OF POLPHARMA GROUP GOVERNANCE BODIES (2014):	
BY GENDER	
 28%	 72%
BY AGE	
35% aged 30 to 50	65% aged 51 ≥



Taste the World: Diversity with a Pinch of Salt

Everyone is different. This holds true even in the kitchen. This diversity can be clearly seen in Taste the World (Posmakuj Świata), a unique cookbook published in a joint effort by two units: Brand PR and International Markets. The book contains selected recipes contributed by 40 Polpharma employees from 17 countries. It has been published in three languages (Polish, English and Russian), in printed and electronic versions. The recipes are formulated in such a way that each of them tells a story rather than being a simple list of ingredients. The book features awesome and appetising pictures of the dishes.

The project was recognised by the jury of the International Business Award 2014 (Stevie Awards). The book received the Gold Stevie Award in the Other – Public Relations category, and was additionally nominated as one of top three projects to the Golden Paperclip Award (Złote Spinacze) in the Internal Communications category.

The success of our publication, measured not only by the number of readers but also by the prestigious awards, demonstrates how much we value the cultural diversity of our organisation, which builds on diverse passions, traditions and customs of our employees from different regions of the world. The indirect project objective was very important, too. We wanted the employees to get to know each other and we encouraged them to engage in a joint action, so far from our everyday routine. With that fantastic experience, we can tap on the potential of our diverse international team even better.



Magdalena Rzeszotalska,
Corporate Communication and CSR Manager, Polpharma SA



Monika Jastowska,
Head of Brand Management, Polpharma Group



EFNI – for the Promotion of Diversity

As one Poland's largest companies, we feel responsible for the developmental challenges ahead of us, including the issue of population ageing. We want to make it a subject of public debate, as this way we will be able to come up with solutions more quickly and turn a problem which is now faced by entire Europe into an opportunity for Poland to become more competitive and escape the middle-income growth trap.

Promotion and creative use of diversity is definitely a solution. Therefore, we put this issue forward during key debates on the future of Poland carried out on the occasion of the European Forum for New Ideas cyclically held in Sopot since 2011. In 2013, we acted as the partner of a panel entitled "Europe 60+ Ageing society as a challenge for development". A year later, during the same EFNI event, we supported the delivery of the session "How to exploit the diversity policy and new phenomena in the labour market to strengthen the competitiveness of a business?".

The European Forum for New Ideas is one of few places where not only key economic and social issues are discussed, but practical solutions are also presented to overcome or at least minimise the effects of undesirable occurrences. Recommendations following from the debate suggest decision-makers how to address key challenges.

Population ageing is undoubtedly one of those challenges. Therefore, during the subsequent EFNI editions in 2013 and 2014, we devoted a lot of attention to the consequences of that phenomenon and discussion on solutions. Reinforcement and promotion of a culture of diversity could definitely be a remedy, encouraging experienced employees to stay active for as long as possible, for the benefit of themselves and the company, and thus supporting the development of competences of the young generation of employees.

10. WE CARE ABOUT THE ENVIRONMENT

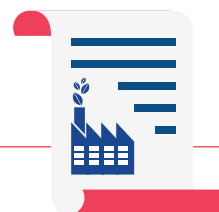
We are committed to ensuring that we grow Polpharma Group in harmony, respecting the needs of stakeholders, being mindful of human life and health and of the environment. We consider the environmental impact of our business at every link of the value chain. Meeting of environmental standards is one of the requirements that we impose on our suppliers. We analyse a range of environmental aspects at the stage of product and technology development. We keep improving the effectiveness

of our manufacturing processes, managing our energy, water and pollutant emissions reasonably and ensuring the safe use of chemicals.

We additionally optimise the transportation of our products to customers. Although our impact on waste generated by end consumers is limited, we successively introduce recycled packaging materials or downsize the packaging to minimise our impact at the end of the value chain.

WE CARE ABOUT THE ENVIRONMENT

The activities of Polpharma Group in the area of sustainable development are based on the **Integrated Occupational Health and Safety and Environment Management System** conforming to ISO 14001 (environmental management), OHSAS 18001 and PN-N-18001 (OHS management) and PN-EN 17025 (quality management for testing laboratories) standards. The policies implemented within that system include the **Environmental Sustainability Policy**, the **Occupational Health and Safety Policy** and the **Laboratory Management Policy**.



Detailed guidance on operating activities taking into account the environmental context is provided in 'declarations' which oblige us to:


- ensure the continuous optimisation and streamlining of technological and auxiliary processes (**» the Green Process Declaration**),
- minimise the consumption and arduousness of solvents (**» the Solvent Management Declaration**),
- minimise generated waste and maximise solvent recycling (**» the Waste Management Declaration**),
- promote the use of public transport, cycling, safe and green transport of goods (**» the Green Transport Declaration**).

The implementation of sustainable development is based on setting and achieving of objectives. In 2009, we set long-term objectives for the period from 2010 to 2014 in our Starogard facility. They involved the reduction of energy consumption and water withdrawal, volatile organic compounds as well as minimising waste and use of PVC packaging. We have accomplished most of our objectives. The minimisation of PVC in packaging, however, remains an unattainable challenge, because this kind of packaging material offers the best protection of medicinal product properties. In 2014, we formulated long-term objectives for all Polpharma Group companies in Poland for the period from 2015 to 2020. Relying on our experience from the first stage, we defined objectives which were mostly a continuation from the previous period. The new objectives involve the increased use of recycled packaging materials, increased volume of waste undergoing recovery or recycling processes, and reduced CO₂ emissions from passenger transport. The values set for particular objectives do not account for production volume, as the achievement of our targets is driven by a range of additional factors, such as the types of products manufactured or weather conditions. I am convinced that with the commitment of our staff, we will achieve our objectives in the next reconciliation period, too.



Grażyna Kaczyńska,
Manager of the Sustainable Development and Environmental Protection Unit, Polpharma SA


ENVIRONMENTAL OBJECTIVES AND THEIR ACCOMPLISHMENT IN 2014 AS COMPARED TO 2013 IN THE STAROGARD GDAŃSKI FACILITY



Electricity consumption was reduced by 604 MWh (1.7%), to **34,661 MWh**. We owe those savings mostly to upgrading exercises under the Energy-Saving Programme.

The withdrawal of deep groundwater increased by 49 906 m³, (16%) to **357,594 m³**. The increase arises from the product range being manufactured.

The volume of solid waste reached **697 tonnes**, marking a 5% increase, which arises from product range being manufactured.



Heat consumption was reduced by 6718 GJ (2.4%), to **281,749 GJ**. We owe the reduction mostly to organisational measures implemented as part of the Energy-Saving Programme.

The use of solvents amounted to **1121 tonnes**, increasing by 0.8. The increase arises from the product range being manufactured.

For many years, Polpharma employees have been engaged in process improvement in the environmental context. In 2008, we presented the first Green Chemistry (Zielona Chemia) award in the area of chemical synthesis in Starogard Gdański, in the framework of initiatives proposed for the Sustainable Development Programme. In subsequent years, the programme covered Polpharma Group in Poland as a whole and its remaining industrial divisions together with the R&D function. This way, the award was renamed to Green Process (Zielony Proces). Currently, sustainable process design is a foundation of the company's operational improvement. Group employees across all functions and organisational levels demonstrate strong environmental awareness. Each business aspect is planned considering the reduction of adverse environmental impacts. The number of 'green' initiatives confirms the commitment of our employees. I am convinced that the implementation of the sustainable development concept contributes to the improvement of process efficiency and more rational use of natural resources, raising the awareness of responsible business activities.



Bogdan Maślanek
Director of the
API Facility,
Polpharma SA

INITIATIVES

Key initiatives taken in 2013 and 2014 to mitigate the environmental impacts of products and services:

- reduction of ammonium nitrogen discharges into waste water in the Piracetam manufacturing process by 75%,
- an innovative manufacturing technology employed for Enalaprilat, which only uses water, hydrochloric acid and hydroxide (the use of organic solvents is eliminated),
- optimisation of the compressed air system,
- reduced ammonium nitrogen levels in treated waste water discharged into the Wierzyca River,
- introduction of low-weight paperboard and of the option to use leaflet paper with grammage reduced from 45 g to 40 g,
- reduction of electricity consumption in the Solid Forms building owing to the optimisation of chilled water pumps,
- closing of the compressor cooling water system and cooling of compressors using chilled water from a chiller (reduced withdrawal of tap water),
- optimisation of the cooling system in the IV Fluids facility (electricity savings of 340 MWh and heat savings of 470 GJ annually),
- refining of the Awanafil technology and Topiramet process (quantities of methylene chloride used in the synthesis reduced by ~17%, solvent use and waste output reduced by ~11%)
- innovative technical solutions in equipment and pipeline insulation (heat losses reduced by ~2600 GJ in Starogard and Nowa Dęba),
- extension of tank lifetime (deep groundwater withdrawal reduced by approx. 918,000 litres and washing agent use by approx. 450 litres per annum).



TOTAL ENVIRONMENTAL PROTECTION EXPENDITURES AND INVESTMENTS

	2013	2014
TYPE OF EXPENDITURE (PLN)		
Fees:		
Environmental fees	701 519	701 519
Abstraction of surface water or groundwater	1 194 117	1 194 117
Gas or dust emissions into the air	1 759 274	1 759 274
Waste treatment	3 412 344	3 412 344
Cost of sewage treatment, including cost of restoration in connection with spills disclosed under EN23	4 533 868	4 533 868
Cost of sewage services and water purchase	2 406 576	2 406 576
Testing and measurements of emissions into the air, noise emissions, water and sewage quality, water tables in wells	627 186	627 186
Management expenses	1 086 145	1 086 145
TOTAL EXPENDITURE	15 721 029	15 721 029
TOTAL INVESTMENTS	4 486 500	3 860 142

INITIATIVES ENTERED FOR THE GREEN PROCESS AWARD

	NUMBER OF INITIATIVES	FINANCIAL ADVANTAGES (PLN '000)
2010	5	393
2011	11	1 263
2012	16	1 986
2013	14	2 613
2014	16	4 359

Owing to the introduction of low-weight paperboard, we reduced the use of paperboard in packaging by 91.8 tonnes annually. The Alaska Plus paperboard will save 1564 trees every year as well as 23,000,000 litres of water and 460,000 kWh of electricity in the paper manufacturing process, and it will eliminate 18.5 tonnes of CO₂ emissions into the atmosphere by reducing the need for transport.

The achievement of our environmental objectives, understood as minimising our environmental footprint, prevention and ensuring the safety of our processes requires continuing investments. Over the last years, our major expenditure at Polpharma Group has been incurred to upgrade fire protection systems and implement the initiatives of the Sustainable Development Programme, such as the reduction of energy consumption or improvement of manufacturing processes.

The remaining expenditure is related with the alignment of ongoing activities to the applicable legal requirements.

ENERGY



ENERGY CONSUMPTION WITHIN THE ORGANISATION

	2013	2014
TOTAL FUEL CONSUMPTION* / USE (SCOPE 1) FROM NON-RENEWABLE SOURCES IN (OWN OR PURCHASED) IN GJ BY FUEL TYPE	TOTAL	
Coal	0	0
Natural and coke oven gas	63 423	52 025
Heating oil	2 033	2 240
Liquid fuel	105 258	106 369
Other (specify)	0	0
TOTAL	170 714	160 634

*Energy consumption is understood as generation and use for production and business

TOTAL ENERGY CONSUMED/USED PURCHASED AND GENERATED (ELECTRICITY, HEAT, COOLING AND STEAM) IN GJ		
ENERGY GENERATION		
Electricity	0	0
Heating	0	0
Cooling	0	0
Steam	0	0
ENERGY PURCHASE		
Electricity	218 682	222 444
Heating	313 106	321 085
Cooling	0	0
Steam	0	0
TOTAL	531 788	543 529

TOTAL ENERGY CONSUMPTION WITHIN THE ORGANIZATION IN GJ		
Total energy consumption within the organization	702 502	704 163

Energy management in a large organisation such as Polpharma is extremely complex and it depends on many factors, such as the restrictive legal provisions regulating the manufacturing of pharmaceuticals, which require the use of energy-intensive air conditioning systems, or the increasing environmental requirements that are hard to reconcile in some respects. We install new systems reducing emissions into the air which often increase energy consumption. However, owing to a number of initiatives taken as part of the Energy-Saving Programme, which has been in place at Polpharma since 2009, we manage to maintain a downward trend. In 2014, we used 34.66 GWh of electricity in Starogard Gdański, 1.7% less than the year before, and 281,749 GJ of heat, which was 2.4% less. Aside from technical and technological solutions, internal audits are a very effective tool in the optimisation of energy consumption, and so are organisational measures taken to raise the energy awareness of staff.



Medard Krzyżyński,
Head of the
Department of
Systems and
Automation,
Electricity and
Telecommunications
Infrastructure
Management at
Polpharma SA



REDUCTION OF ENERGY CONSUMPTION

Task	Savings Jan-Dec 2014 [MWh]	Plan for 2014 [MWh]
ORGANIZATIONAL MEASURES (O)		
1.1. Polpharma SA. Starogard Gdański	596	321
Monitoring of shutdowns: lighting, utility systems, machinery	312	205
Optimization of the compressed air system (master controller)	284	116
TECHNICAL MEASURES (T)		
2.1. Polpharma SA. Starogard Gdański	745	908
Modernization of the cooling system in the IV Fluids facility	105	280
Installation of an absorption chiller in the Solid Forms facility (incl. in B2014)	503	500
Upgrade of the iced water system in the Solid Forms facility	137	87
Free cooling system on administration premises and multi-tier warehouse	0	41

WATER AND WASTEWATER MANAGEMENT

Saving of **water**, one of the most valuable natural resources, is a permanent feature of responsible management in the Group. Rational water use is supported by a number of initiatives taken in relation to manufacturing, cooling, fire protection, as well as sewage processes. We quickly address any spills or failures and we improve the performance of our water system. The implemented solutions are accompanied by education campaigns supporting environmentally conscious employee attitudes, such as Stop Running the Tap (Nie Lej Wody).

The facility in Starogard Gdański has its own river water intake and four deep groundwater wells. The other Polpharma Group companies use tap water.

In 2014, as compared to 2010, we managed to reduce the total withdrawal of river water and deep groundwater by more than 25% (from 2977 to 2216 m³).

Industrial **wastewater** and sewage generated in Starogard Gdański are treated by an on-site treatment plant. Owing to our activities, some of them carried out in cooperation with the Gdańsk University of Technology, we have managed to reduce the quantity of ammonium nitrogen in treated wastewater by 75% over the last 5 years. The wastewater generated by other Polpharma Group companies flows to municipal treatment plants.

In 2014, we undertook a new project in cooperation with the Gdańsk University of Technology, which includes analyses of the content of APIs in process and treated wastewater. It is an innovative project, as there are no relevant legal requirements in place at the moment. Being aware of the detrimental impact of those substances on the environment, we have decided to take measures to minimise their emissions into the aquatic environment.





TOTAL WATER WITHDRAWAL BY SOURCE

	2013	2014
WATER WITHDRAWAL BY SOURCE	TOTAL (m³)	
Surface water, including water from wetlands	0	0
Rivers	1 738 039	1 850 534
Lakes	0	0
Ground water	0	0
Rainwater collected directly and stored by the organization	0	0
Waste water from another organization	0	0
Municipal water supplies	213 741	203 873
Deep groundwater	318 167	366 283
Other source (specify)	0	0
TOTAL WATER WITHDRAWAL FROM ALL IDENTIFIED SOURCES	2 269 947	2 420 690

The data is calculated based on meter readings and invoices.



TOTAL WATER DISCHARGE BY QUALITY AND DESTINATION

	2013	2014
DESTINATION OF DISCHARGE	TOTAL (m³)	
Wastewater discharged to surface waters (lake, river, etc.)	2 377 866	2 261 855
Wastewater discharged to sewers	210 790	198 302
Wastewater removed from the organization via truck to treatment facilities	0	0
Wastewater discharged to ground water	0	0
Wastewater discharged over land	0	0
TOTAL WATER DISCHARGE	2 588 656	2 460 157

SUBSTANCE MANAGEMENT AND PROCESS MASS EFFICIENCY

Chemical substances, including organic solvents, are used in the manufacturing of drugs and pharmaceutical substances. Key environmental measures in this area include:

- elimination of chlorinated solvents and substances with noxious properties from manufacturing processes,
- reduction of solvent use,
- maximising solvent regeneration processes,

- evaluating the chemicals used in processes already at the stage of design, research and development.

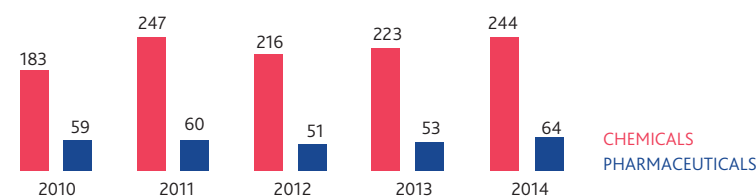
The use of solvents depends on the type of product being manufactured and has been stable for the last few years.

Since 2009, we have been monitoring the performance of chemical and pharmaceutical activities using a process mass intensity

metric (PMI) developed by the American Chemical Society.

The metric measures the relationship between materials used to produce a certain quantity of a product. Maximisation of the use of materials reduces the emissions of pollutants to each environmental compartment

PROCESS MASS INTENSITY (PMI) [RAW MATERIALS INPUT (KG) / PRODUCT OUTPUT (KG)]



The process mass efficiency of pharmaceutical manufacturing in Starogard Gdański is improving by the year, while in the chemical manufacturing area it depends on the type of APIs produced. Tracking of the metric allows to take measures to improve the process mass intensity, for example by reducing the use of water or increasing the share of regenerated solvents.





MATERIALS USED BY WEIGHT OR VOLUME

	2013	2014
NON-RENEWABLE MATERIALS	TOTAL	
Materials used for drug manufacturing [kg]	6 049 351	6 124 057
Packaging materials used [kg]	3 588 950	5 710 747
Solvents used [kg]	1 316 228	1 318 572
Total paper used by weight (other than packaging paper, e.g. office paper) [kg]	32 978	18 085
Diesel fuel [l]	2 711 562	2 767 643
Diesel fuel [kg]	2 278 759	2 324 641
Petrol [l]	193 720	166 221
Petrol [kg]	145 518	125 929
Natural gas [m³]	1 977 896	1 520 223
Heating oil [kg]	52 800	58 300

	2013	2014
TOTAL	TOTAL	
TOTAL NON-RENEWABLE MATERIALS USED [kg]	13 464 584	15 680 331
TOTAL NON-RENEWABLE MATERIALS USED [m³]	1 977 896	1 520 223
TOTAL NON-RENEWABLE MATERIALS USED [l]	2 905 282	2 933 864

WASTE MANAGEMENT

	PERCENTAGE OF RECYCLED INPUT MATERIALS USED TO MANUFACTURE		
		2013	2014
TOTAL (KG)			
Total materials used by weight or volume	13 464 579	15 680 331	
Total recycled input materials used by weight or volume	610 718	776 367	
Solvent regeneration [kg]	2 375 173	2 318 616	
Percentage of recycled input materials used to manufacture	5%	5%	

	TOTAL WEIGHT OF WASTE BY TYPE AND DISPOSAL METHOD		
		2013	2014
WASTE DISPOSAL METHOD			
TOTAL			
Recycling	1 834	1 868	
Incineration	392	439	
Landfill	358	138	
Other (e.g. dissolution in a treatment plant, third party disposal)	527	452	
Recovery, including energy recovery	229	471	
Reuse	not applicable	not applicable	
Composting	not applicable	not applicable	
On-site storage	not applicable	not applicable	
(other – specify)	not applicable	not applicable	
Total weight of waste [t]	3 340	3 367	
TYPE OF WASTE			
TOTAL			
Weight of hazardous waste [t]	676	679	
Weight of non-hazardous waste [t]	2 663	2 687	
TOTAL WEIGHT OF WASTE [t]	3 339	3365	

The increasing legal demands on the quality of pharmaceuticals, their packaging and leaflets result in growing waste volumes, generated both during manufacturing processes and by the patients. It is a key challenge for Polpharma Group to keep looking for new solutions to maximise the volume of recovered or recycled waste. We reduce the volumes of waste owing to the involvement of our employees in the initiatives of the Sustainable Development Programme, which includes the implementation of low-waste technologies and more efficient processes. As much as 64% of the waste generated by the Polpharma facility in Starogard Gdański was recovered or recycled in 2014. This portion of waste included plastic, recycled paper, glass and composite packaging, as well as steel, demolition waste, reaction waste and waste solvents. It is definitely a success that we managed to reduce the volume of landfilled waste to 1%. We achieved this owing to a consistent search for new recycling, recovery and disposal options.



Dorota Gomuła,
Environmental
Protection Expert,
Polpharma SA

EDUKACJA EKOLOGICZNA PRACOWNIKÓW I OTOCZENIA

We believe that **environmental education** is an important aspect of the responsibility for the environment, raising the awareness and promoting environmentally conscious attitudes in our employees and local communities.

Aside from the Sustainable Development Programme and the Energy-Saving Programme, we carry out a range of initiatives and projects in our facilities and offices with a focus on building a culture of environmental awareness in many dimensions:

- the Green Week (Zielony Tydzień), marked by practical advice on how to be eco-friendly every day,
- Green IT (Zielone IT), a project promoting the rational use of electric and electronic equipment,
- tele- and video conferencing systems instead of business travel,
- electronic document workflow, including invoices,
- use of double side and black and white printing,
- collection of waste light bulbs, batteries, CDs, printer cartridges, expired drugs brought by our employees,
- active participation in the Waste-Less Day (Dzień bez śmiecenia) and in the international Clean Up the World campaign,
- the Second Life of the Product (Drugie życie produktu) campaign,
- the Let's Go Cycling (Wszyscy na rowery) programme, rewarding employees for bike commuting,
- Green Tickets (Zielone Bilety) (rewarding the use of public transport by bonus points in the MyBenefit scheme),
- inclusion of environmental education in the WIEM induction training,
- safety and ecology updates on the intranet.

GREEN TICKETS

On 1 January 2014, we introduced subsidies for those employees of the Pharmaceutical Works in Starogard Gdański who used public transportation. When they show a copy of a commuter pass for buses or trains bearing their name, they receive 20 bonus points in the MyBenefit cafeteria system. Next year, we are going to implement this practice in more locations in Poland. 92 employees opted for this commuting solution in 2014.

Green Local Communities

We want to make local communities more sensitive to the issues of environmental protection. Joint commitment can bring truly significant effects, which is demonstrated by our long-standing projects:

- We are a partner of the European Mobility Week in Starogard Gdański. In parallel, we organise events to promote sustainable transport in other locations.
- Next to health promotion, environmental education is the main axis of the annual Polpharma Open Day. We use this event to encourage people to cycle or to recycle waste. The Open Day is also an opportunity to exchange waste paper and other waste to a sapling or an eco-themed souvenir.
- We organise conferences, meetings for schools and ecology-themed competitions.

Moreover, we share our expertise with other companies in our region. In 2014, we organised the Let's Talk About the Environment meeting (Porozmawiajmy o środowisku), which was a continuation of similar meetings initiated by the LOTOS Group. The objective of the event was to share information and experience concerning the implementation of the environmental law, cooperation with state authorities

and interactions with environmental organisations.

The meeting was attended by environmental protection experts from several Pomeranian companies. We discussed such items as packaging placed on the market, industrial accidents, carbon footprint, good practices and initiatives reducing the environmental nuisance caused by businesses.

Awards and Honours

The feeling that we can make a real difference to the environment is our greatest satisfaction. However, we have to admit that we are happy about the awards demonstrating that our commitment to environmental protection is recognised and valued.

In 2013–2014 we earned a number of awards, including a honourable mention in the 3rd edition of the Environmentally Responsible Business competition (Ekood-powiedzialni w biznesie). We were also awarded the honourable title of the Patron of Ecological Education (Mecenas Edukacji Ekologicznej) in 2013 and 2014 by the Ekologia i Rynek monthly. Polpharma S.A. Pharmaceutical Works in Starogard Gdański and Polpharma Trade Office in Warsaw received the **Bicycle Friendly Certificate** (Przyjazny Rowerom) in 2014. In addition, Trade Office was also awarded the **Green Office Certificate** (Zielone Biuro), which attests to the company's environmentally-friendly approach to facility management and commitment to environmental protection. Both certificates were awarded by the Environmental Partnership Foundation.

11. WE BUILD A SUSTAINABLE SUPPLY CHAIN

We are committed to ensuring that our products are a synonym of top quality and safety. Therefore, we only cooperate with the best suppliers, who can meet our strict quality requirements, as confirmed by current audit findings. We impose equally strict requirements on ourselves when we act as a product or service supplier for other companies.

We want to create a feeling of co-responsibility within our supply chain, not only with respect to the end product, but also for the highest ethical standards and harmonious development of all actors in the life cycle of our products, while considering the needs of stakeholders.

Those assumptions formed the basis for the design of a new system of cooperation with suppliers – the sustainable supply chain strategy.

Polpharma Group Supplier Code of Conduct is an important component of that system. Project work started in autumn 2014, and the Code was adopted in 2015.

One of the initial stages of the design of the Code involved the analysis of suppliers in terms of potential corporate social responsibility risks. 1572 suppliers were evaluated in total from the perspective of both current and potential risks.

COMMON ETHICAL STANDARDS

Polpharma Group Supplier Code of Conduct is an expression of our strategic approach to a sustainable supply chain.

Our suppliers are obliged to sign an acknowledgement that they have read and understood the Code and that they intend to respect its provisions. The acknowledgement of the Code and compliance with its provisions are also the preconditions for cooperation with our Group. The Code outlines the most important requirements for Polpharma Group suppliers in the area of:

- management and ethics,
- employment conditions and employee rights,
- occupational health and safety,
- product safety and quality,
- tests on humans and animals,
- impact on the environment

We additionally expect our suppliers to proactively promote the sustainable development concept among their stakeholders and to verify the activities of their employees and subsuppliers in that respect. The implementation of the Code was initiated in 2015. The process consists of the following steps:

- communicating information to suppliers and signing of the Code of Conduct acknowledgement,
- supplier education activities (classroom or online workshops, information and training material and a knowledge base for suppliers in a dedicated section of Polpharma's website which is now under development),
- self-evaluation in the form of an online questionnaire allowing suppliers to evaluate the degree to which they have implemented the rules of the Code of Conduct,
- improvement and reviews (internal and external audits).

Building a sustainable supply chain is an important element of Polpharma Group's comprehensive approach to social responsibility. We believe that ensuring that our suppliers meet additional requirements concerning respect for human rights, labour practices or environmental protection is a must for a company which relies on ethics in its business. Polpharma Group Supplier Code of Conduct is the first step towards the continuous improvement of our supply chain. Compliance with the Code is an important criterion in the evaluation and selection of partners for cooperation. Inviting our suppliers to join the circle of businesses which set the standards for ethics and responsibility, we support the promulgation of the best practices in this area, in Poland and globally. We hope that those activities will contribute to raising standards in the supply chains of our partner companies, too.



Bożenna Kozakiewicz,
Vice President of the Management Board of Polpharma SA and Member of the Management Board of Polpharma Trade Office

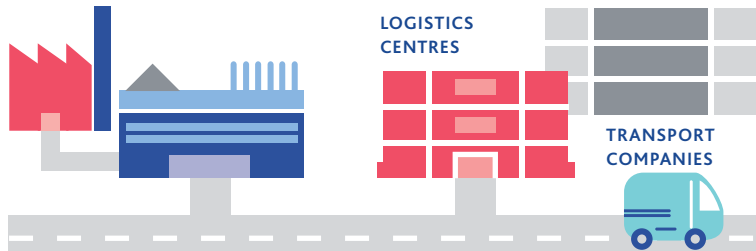
ANALYSIS OF SUPPLIER CSR RISK

Risk analysis areas for suppliers:

- violation of employee rights,
- violation of human rights,
- adverse community impact,
- adverse environmental impact.

SUPPLY CHAIN UNDER SCRUTINY

MANUFACTURERS OF MACHINERY, EQUIPMENT, INPUT MATERIALS AND PACKAGING



PROVIDERS OF NON-MANUFACTURING, MARKETING AND ENGINEERING SERVICES

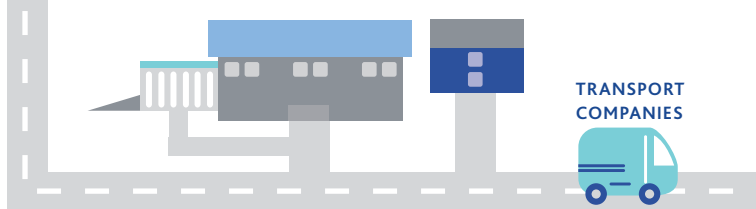
TRADE OFFICE

MANUFACTURING FACILITIES

TRANSPORT COMPANIES



PHARMACEUTICAL WHOLESALERS



PHARMACIES

HOSPITAL PHARMACIES

PATIENTS



TRANSPORT COMPANIES

DISPOSAL COMPANIES

Various corporate functions participated in the efforts to develop the sustainable supply chain strategy and Polpharma Group Supplier Code of Conduct, from Quality through OHS to Environment and Compliance. We additionally invited our Polish and foreign suppliers to participate in a dialogue concerning the planned solutions. An interesting feature involved screening of our cooperating companies from all areas of procurement – manufacturing materials, non-manufacturing materials and services, or technical and engineering procurement. The analysis allowed us to estimate the actual and potential risks associated with our suppliers in a range of CSR areas. On that basis, we developed the sustainable supply chain strategy and communicated it to our employees and business partners in 2015. From the very beginning, we thought long-term about the effects that we wanted to achieve – to improve the management quality of our suppliers while minimising the risks in the supply chain on our side. Therefore, raising supplier awareness and supplier education have always been critical. We did not want to impose our standards on suppliers, so we invited them to cooperate, and the communication of new requirements was promptly followed by workshops and education meetings.



Elżbieta Czarnocka,
Director of the Non-Manufacturing Materials and Services Procurement Unit at Polpharma Group



INNOVATION AND ADVANCING KNOWLEDGE

We improve our organisation, respond to key medical challenges and provide space for the advancement of knowledge by implementing innovative solutions and cooperating with scientists.

INNOVATION AND ADVANCING KNOWLEDGE

Seeking to overcome the challenges posed by modern medicine and pharmacy, we focus on innovation, continuous improvement and advancement of knowledge. We keep developing our R&D facilities and we implement innovative solutions. We invest approx. PLN 170 million in R&D activities in Poland every year. We reinforce the culture of innovation, where employees share their ideas and are not afraid of taking the inherent risks of the innovation process.

Developing cooperation with universities and scientific institutions, we bridge science with business. We perceive synergistic cooperation and supporting the most talented Polish scientists as a chance to deliver innovative solutions that allow us to serve the patients and the society even better. We also believe that it is our responsibility to support the education of medical and pharmaceutical professionals. In 2013 and 2014 we organised or supported 570 events: conferences, training, workshops, live surgery streamings. Moreover, we develop innovative tools based on new technologies to facilitate the daily jobs of doctors and pharmacists.

OUR SUCCESSES

more than
30,000

doctors use our DrWidget mobile application series, such as the Medicines Database (Baza Leków) application which contains more than **15,000** descriptions of medicinal products.

more than
15,000

doctors took part in conferences organised by Polpharma in 2013 and 2014.



KEY ACTIVITIES IN 2013–2014:

- We initiated work in our Biotechnology Division in Gdańsk to develop biologics, drugs that are the future of medicine.
- We improved existing drugs, refining the manufacturing technologies and improving the comfort of use, which translates into better therapeutic compliance.
- We encouraged our employees to come up with innovative ideas, rewarding the best ones with Innovation Awards.

- Through the activities of the Polpharma Scientific Foundation (grant competitions and scholarships), we supported research projects of particular importance for the development of medicine and pharmacy.
- We created development opportunities in Poland for excellent Polish scientists. Not only do we retain talents in Poland, but we also contribute to the returns of those who have decided to take their chance abroad.
- We shared advanced knowledge and the latest medical insights with doctors, pharmacists, scientists and students through regular and comprehensive education programmes (the European Educational Programme, the Knowledge Pharm).
- We created and provided advanced work tools for doctors (such as the DrWidget platform).



Sebastian Szymanek,
Member of the Management Board of Polpharma SA and Polpharma Trade Office,
General Manager in Poland

For many years, Polpharma has been engaged in the development of Polish science and medicine. Close cooperation with the scientific community helps us develop innovative drugs and improve the existing products and manufacturing technologies. We share our knowledge on the latest advancements in medicine and our long-term experience with doctors and pharmacists, supporting them in helping patients.

The position of a leading pharmaceutical company in Poland makes us particularly responsible for the development of pharmacy in Poland. We support initiatives creating a friendly climate for science and innovation, and we help talented Polish scientists maximise their potential. We would like Polish scientists to act as a growth driver for Poland, without having to look for career opportunities abroad. Therefore, we create stable employment for highly-qualified specialists and we keep improving the culture of innovation within the company.

We reinvest a major part of our profit in advanced technologies and new product developments, including biologics. In accordance with the OECD classification, the pharmaceutical industry is one of the three most innovative sectors of the economy. We are proud of our significant contribution in this respect.

29

employee ideas were recognised as innovations in the Innovation Award programme

4

grants totalling more than **PLN 1.3 million** were awarded by the Polpharma Scientific Foundation

OUR COMMITMENTS

12. We implement innovative solutions.

KEY METRICS

- We will reinforce an internal culture which supports innovation, knowledge sharing, mutual inspiration and rewarding of the best ideas put forward by employees – 30% increase in the number of grassroots initiatives.
- We will put EU resources obtained by the company to effective use.
- We will establish partnerships with other operators in Poland and abroad to successfully implement innovative solutions and advanced therapies, including biologics.

13. We bridge science with business.

- We will appoint an action coordinator in our company to quickly evaluate innovative projects proposed to Polpharma by universities and research institutes.
- Support for research in the fields of pharmacy and medicine provided by the Polpharma Scientific Foundation will focus on young scientists.
- The Polpharma Scientific Foundation will promulgate the research outcomes of its grant beneficiaries in a periodical.
- We will actively participate in the efforts to design a sectoral programme of support for innovation development in the pharmaceutical industry.

14. We educate medical and pharmaceutical professionals.

- We will maintain the high level of expertise of the lectures given as part of the European Educational Programme, reviewed by workshop participants.

12. WE IMPLEMENT INNOVATIVE SOLUTIONS

Our strategy is to reinvest profits from drug sales in innovative solutions and development of products needed by patients. Seven R&D facilities of Polpharma employ more than 400 top specialists who come up with 30 to 40 new solutions every year. Biologics are one of our priorities, offering hope to patients suffering from serious illnesses. Our Biotechnology Division in the Gdańsk Science and Technology Park is the most advanced research centre of its kind in Poland.

We cultivate a culture of creativity, which forms a natural foundation for innovation. We reinforce a climate where employees are not afraid of the risk associated with innovation, and they are recognised for being open and ready to challenge the status quo.

We seek to ensure that creativity, curiosity and enthusiasm are common across all functions, rather than only in the R&D department. We place emphasis on the effective flow of information between our units involved in innovative processes, especially between R&D, technical and marketing teams.

We offer our employees the opportunity for ongoing improvement of their qualifications in order to be able to complete the most ambitious projects (for more information, see pp. 52 to 54). We reward thinking out-of-the-box, empowerment and any initiatives increasing the innovation level and competitiveness of our business.

We have had an internal Innovation Bureau in place since 2007 and we give Innovation Awards to employees who come up with the most valuable initiatives.

Evaluating the ideas, we consider financial advantages, the potential to add value in the future, creativity, systemic approach and knowledge productivity. In 2013 and 2014, we approved 29 out of 41 initiatives proposed. The financial value of the ideas put forward by our employees in that period totalled approx. PLN 1 million and it is growing over time, starting from successful implementation.

In the Share the Idea programme (Podziel się pomysłem), we encourage sales and marketing employees to suggest innovative solutions for even more sustained customer relationships. In 2014, we implemented fixed hours of consultations between general practitioners and specialists (Thursdays with specialists – Czwartki ze specjalistami) and computer skills training for doctors aged 50+ (Everyone can do it – Każdy potrafi).

INNOVATION HAS MANY NAMES

Innovation is understood not only as investments in state-of-the-art laboratories or development of new medicines, but also as never-ending everyday improvement of therapies provided to our patients. This kind of innovation, called incremental innovation, manifests itself in a continuous advancement of manufacturing processes, new methods of substance synthesis, reduction of adverse reactions or improvement of application forms to increase the comfort of patients. We additionally develop technological, marketing, organisational and enhancing innovations which make our organisation a better place and help us operate on the market and serve our patients more and more successfully.

So understood, innovation is an important component of our CSR strategy. In accordance with that strategy, we want to increase the potential for use of innovation, mostly by reinforcing the culture of

innovation in Poland, but also within our company.

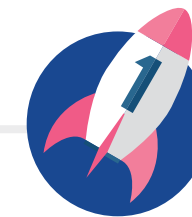
We place emphasis on dialogue, partnerships and establishment of advanced platforms for cooperation with the scientific community. Between 2010 and 2015, Polish Polpharma Group companies applied for protection for 23 inventions concerning API synthesis (10 patent applications) and final-form manufacturing technologies and dosage (13 applications). During the same period, we obtained eight patents, of which two cover APIs and six cover final-form drugs.

Inventions relating to: imatinib (smaller tablets), tianeptine (more reproducible release profile), olopatadine (reduced eye irritation) and combination of ramipril and indapamide (dosing regimen that requires fewer tablets) are particularly important for the comfort of patients.

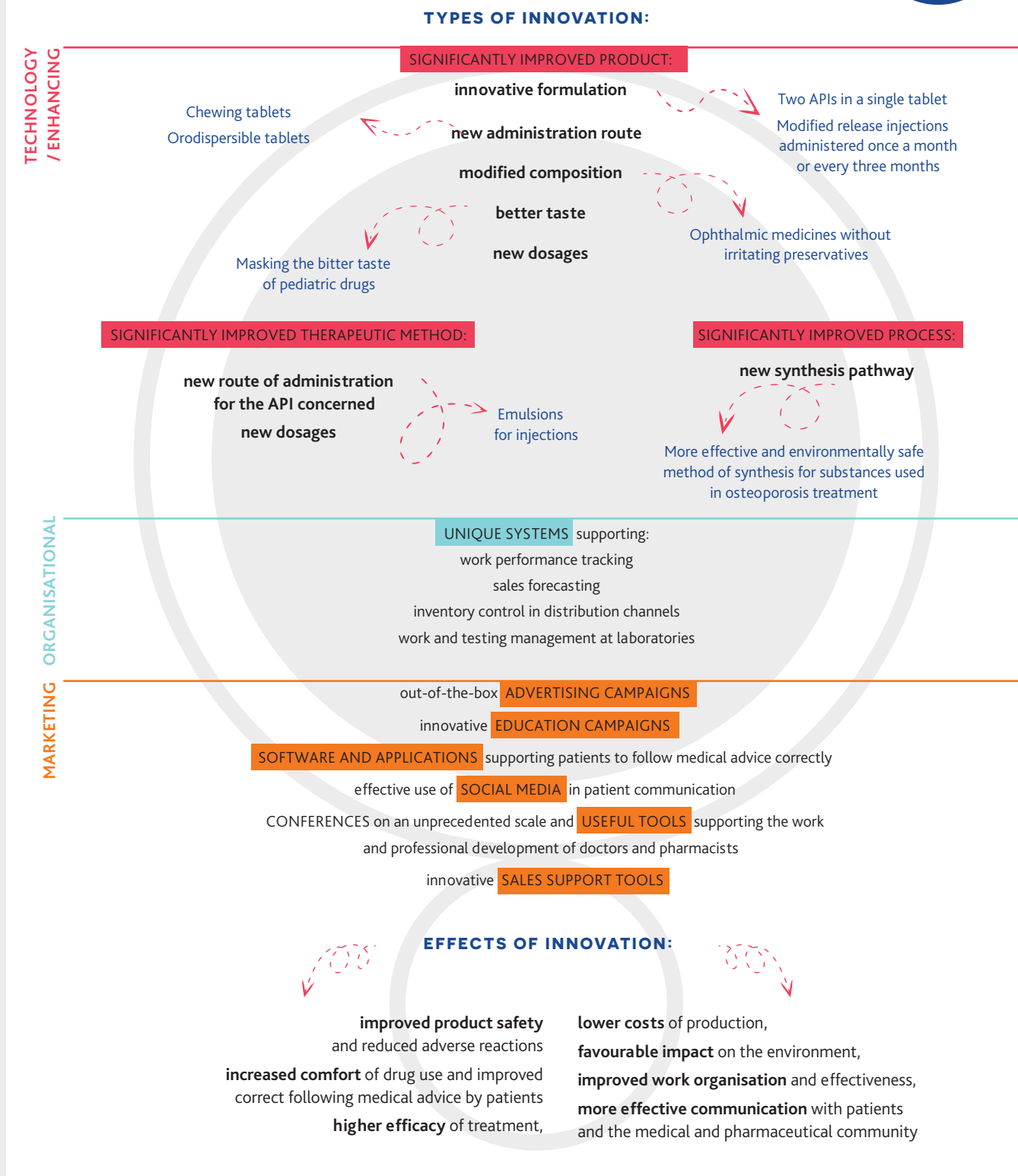
As the author and leader of the innovation programme at Polpharma Group, I am very proud of our outcomes so far. Since the establishment of the Innovation Bureau in 2007, we have developed 360 staff initiatives, of which 206 have been regarded as breakthroughs in the improvement of our processes, technologies and organisational growth. Aside from the significant effect on our financial performance (more than 2% of EBITDA), the programme contributed to the increased commitment of our employees to the achievement of business objectives, transfer of knowledge between departments and talent development. It was a milestone in the development of the culture of innovation across all functions, which – in my opinion – is of critical value for the long-term growth of our organisation.



Marzio Mercuri,
Head of the
Innovation
Bureau, Technical
Operations Officer
at Polpharma
Group



POLPHARMA GROUP INNOVATION MAP



In 2014, in response to the needs of the medical community and patients, we worked on a new shape for ACARD tablets. The heart shape reminds patients to take the tablets on a regular basis, supporting therapeutic compliance. The new tablets have been available since 2015.

The Biotechnology Division in Gdańsk – our innovation showpiece The state-of-the-art biotechnology centre of Polpharma in the Gdańsk Science and Technology Park is engaged in the development and production of biologics, which are the future of medicine in the fight against severe and chronic illnesses.

Opened in 2012, the Centre is the most innovative facility of this kind in Poland. It offers a unique chance to the most talented young scientists to work with recognised biotechnology experts and to be in touch with the world's latest technologies. On an area of 2600 m², the Centre accommodates R&D laboratories and plants for the production of biological medicines in accordance with the standards of GMP (Good Manufacturing Practice). Today, the Centre already has 60 top specialists and is still expanding (as at 2015). In accordance with the motto of the Biotechnology Division, 'Our Future Is Here', we offer young Polish scientists the opportunity to pursue their scientific and career ambitions here, in Poland. Several talented researchers in the field of biotechnology have already decided to return to Poland and pursue their careers with Polpharma Group.

Innovation to attract the best of the best Our company is one of the top R&D investors in Poland. According to a report published in 2013 by the Institute of Economics of the Polish Academy of Sciences, we ranked 5th among 795 Polish companies in terms of R&D expenditure. Owing to that, we provide an opportunity for development to excellent Polish scientists and the most talented graduates.

Not only do we retain talents, but we also contribute to the returns of those who have decided to take their chance abroad.

We are proud of the fact that Polpharma located its laboratory, the most advanced biotechnology centre in Poland, in the Gdańsk Technogy and Science Park. The company invests in innovative technologies and creates jobs for highly qualified specialists, encouraging them to stay in Poland. It can also serve as an example of successful cooperation between the business and scientific communities. The Gdansk Life Sciences Center, our joint initiative, will enable the development of innovative areas proposed by young scientists, contributing to the development of Pomerania and Polish knowledge-based economy.



Teresa Kamińska,
President of the
Pomeranian Special
Economic Zone



Tomasz Welerowicz,
Analytics and Quality
Control Coordinator,
Polpharma SA
Biotechnology
Division in Gdańsk

PERCENTAGE OF YOUNG SCIENTISTS (BELOW 35)
IN THE BIOTECHNOLOGY DIVISION

	DEC 2013	DEC 2013
TOTAL EMPLOYMENT	21	47
AGED UP TO 35 (INCLUSIVE)	13	28
AGED UP TO 35 (INCLUSIVE)	61,90%	59,57%

Taking up a job with the Biotechnology Division in Gdańsk was not just a regular step on my career journey – it was a big leap forward. When I completed my doctoral dissertation in 2007, working as an assistant lecturer at the Nicolaus Copernicus University in Toruń, I decided to go to Ireland. I worked for the pharmaceutical industry for seven years and I learned about the reality of leading drug manufacturers or developers. During all that time, I dreamt that one day I would go back to Poland. Establishing the Biotechnology Division, Polpharma became a gateway not only for my return to Poland, but also to the world of biologics. I was asking myself, could such complex products be actually developed in Poland? It seemed quite unreal. Now I have the feeling that I am involved in something outstanding, an exceptional and unique project from the perspective of the entire Poland.

Scientific Advisory Board

The possibility of confronting innovative ideas with the current state of knowledge plays a key role in research and development activities. We are able to access up-to-date information and scientific advancements owing to cooperation with the scientific community. For many years, our API Facility Research and Development Department which designs and refines API manufacturing technologies has been leveraging the experience of scientists from top Polish universities and scientific institutions, such as the Gdańsk University of Technology, Łódź University of Technology, the Institute of Organic Chemistry of the Polish Academy of Science, etc., on the basis of cooperation agreements, grant agreements and consortia.

In order to further advance the transfer of the most recent knowledge, we established the Scientific Advisory Board (SAB) in the API Facility in May 2014, with varying composition depending on the themes of projects under development. Professors recognised in the Polish and international scientific community accepted our invitations to cooperate on that basis. Members of the Board deliver cyclical workshops and seminars for the team of the API Facility Research and Development Department. The engineers working in the department are also able to quickly contact an expert in a given field by email or telephone. We additionally place a lot on emphasis on delivering the best services to patients and doctors on the basis of the most recent medical knowledge. To this end, we attend regular Advisory Board sessions with top specialists and opinion leaders in a given field of medicine. Owing to the meetings, we are able to learn about the latest therapeutic recommendations and solutions which can be consistently implemented. In 2013 and 2014, we had 19 Advisory Board sessions on a dozen or so therapeutic areas, such as allergology, gastroenterology, gynaecology, neurology, ophthalmology, dermatology, cardiology and diabetology.

Awards for Innovation

Already for 80 years we have been proving that it is good to believe in the advancement of science, to have the courage to change the world and to follow the highest standards of quality. We are happy that our innovative activities are acknowledged and appreciated. The following honours are particularly important:

- **Award of the President of the Republic of Poland in the Innovation category (2013)** for the development of innovative technologies and launch of manufacturing of a series of osteoporosis drug APIs,
- **First place** among large companies on the **List of 500 most innovative companies in Poland in 2011**, in a ranking prepared by the Institute of Economics of the Polish Academy of Sciences (in 2013),
- **The Innovator Wprost** award for the Biotechnology Division in Gdańsk in the Science category (2014) for the creation of the most advanced biotechnology centre in Poland in the Gdańsk Science and Technology Park,
- **First place among large companies in the 1st edition of the Innovation Initiator competition (Inicjator Innowacji)** of the Newsweek magazine.

RATIONALE FROM THE
NEWSWEEK COMPETITION JURY

Aside from focusing on the development of its products, Polpharma launches social, marketing and organisational innovation projects every year. We are granting this award for the consistent approach to the creation and fostering of innovation. We appreciate the well-thought-out structure of innovation management and the activities supporting the development of an innovative corporate culture where innovators are sought for and motivated. We would like to especially acknowledge Polpharma for its approach to the open innovation model, for its high awareness of the fact that cooperation in support of their immediate environment brings mutual and very valuable benefits. Here science meets business, giving a perfect example of how to leverage synergies.

We make substantial investments in new product developments. Our core focus is on generic drugs, which provide access to advanced therapies to a wide group of patients. We are also the only manufacturer in Poland with a large scale production of APIs, the pharmaceutical substances necessary to manufacture medications.

The success of the API business demonstrates our innovativeness not only in terms of technology, but also in the field of organisation. We have switched from high-volume, simple and unprofitable manufacturing to advanced substances manufactured relying on state-of-the-art technologies. Together with the scientific community, we improve our processes and develop brand new synthesis pathways that are more effective and environmentally sound. Examples could include the substances used in the treatment of erectile dysfunctions or osteoporosis, based on innovation award-winning technologies.



Bogdan Maślanek,
Director
of the API Facility,
Polpharma SA

MEMBERS OF THE API TEAM
SCIENTIFIC ADVISORY BOARD

- Prof. Janusz Rachoń (1st and 2nd edition)
- Prof. Karol Lesław Grela (1st and 2nd edition)
- Prof. Piotr Kiełbasiński (1st edition)
- Prof. Andrzej W. Lipkowski (1st edition)
- Prof. Jacek Młynarski (2nd edition)

13. WE BRIDGE SCIENCE WITH BUSINESS

We actively participate in the most important initiatives, conferences and meetings where, together with other operators from different sectors, we look for the answer for the question how to make innovation the foundation of growth in Poland. Our experts support the activities of the National Centre for Research and Development, the Ministry of the Economy and the Coalition for Polish Innovation.

Together with our partners, we have taken effective measures to ensure that the Pomorskie Province is covered by 'smart specialisation' as a region to build its competitive advantage on the basis of advanced technologies, as a country where the knowledge and creativity of scientists translate into products and services serving the society. With that in mind, we want to bridge science with business, initiating and engaging ourselves in a range of activities to support effective knowledge sharing and to contribute to increased innovation in Poland. ("Medical technologies in the field of diseases of affluence and ageing").

WORKING TOGETHER FOR THE FUTURE OF POLISH SCIENCE

On our own account and in partnerships, we carry out programmes supporting the development of Polish science, promoting inventions and commercialisation of innovative ideas serving the society.

ship programmes and projects addressed to Polish students at universities abroad,

- **cooperation with student learning circles** – joint projects, knowledge sharing.

We support young scientists at various stages of their careers. Moreover, we stimulate future talents, promoting science among young people as an interesting idea for life.

Our key activities in this area include:

- **financing of scientific research** in the fields of medicine and pharmacy; grant competitions and scholarship programmes of the Polpharma Scientific Foundation are addressed to scientists aged below 35,
- **discovering and promoting talents** – through our own initiatives and sponsorships: ("Eureka DGP! Discovering Polish Inventions", "Supertalents in Medicine" of the Puls Medycyny magazine),
- **offering career opportunities to young people** – by means of graduate trainee-

Building an innovation-friendly environment together with governmental and non-governmental organisations offers space for the implementation of innovative projects. Favourable fiscal and legal conditions and a system of subsidies help companies of all sizes invest more in research and development, implement high-risk projects and thus look for innovative solutions to give them the competitive edge.

According to data from the Central Statistical Office (GUS), 2014 was a record-breaking year in terms of the increase in research and development expenditure in the business enterprise sector. Businesses allocated more than PLN 7.5 billion to R&D activities, 19.7% more than in 2013. Therefore, the trilateral cooperation between business, science and authorities is already paying off. Involvement in such initiatives offers a chance to reinforce the position of the Polish pharmaceutical sector, but it also entails a great deal of responsibility for the future of the Polish R&D activities.



Monika Lamparska-Przybys, Funding Development Manager, Polpharma SA



The Polpharma Scientific Foundation is engaged in the provision of long-term support for Polish science. In accordance with our motto, 'Helping the People of Science', we participate in the development of pharmaceutical and medical sciences by financing research in those fields.

Already for 14 years, we have organised a grant competition for scientists engaged in medical and pharmaceutical research. Accepting and taking the risk associated with fundamental research, which is the most common type of research we provide financing for, we create the right conditions for talented researchers to do their jobs. We care about innovative, courageous and visionary projects.

The Scientific Council, composed of scientific experts on pharmacy and medicine, cooperates with the Management Board of the Foundation. Those persons perform their functions pro bono publico, and their recommendations as regards the selection of projects for financing are fully independent and based on grounds of merit. Only the best projects are rewarded, those best rated by reviewers, giving hope for the development of original new solutions. In the thirteen editions of the competition held so far, we have allocated almost 16.5 million zloty to 62 teams, helping them

to continue and develop their scientific research. Implementation of 51 projects has been completed and their results have been published in renowned scientific journals with a high impact factor.

Furthermore, the Foundation supports the most talented PhD students by means of a scholarship scheme carried out since 2006. In five editions of our competition held every two years, we have granted 37 study scholarships totalling 370,000 zloty. For ten years, we have sponsored the prizes in the prestigious All-Poland Competition for MSc Theses from Pharmaceutical Departments which has been organised by the Polish Pharmaceutical Society for over 40 years.

In 2012, the Foundation launched a new programme – the Recommended Grant – with the objective to provide co-financing to scientific research carried out by young scientists. In 2014, two grants totalling 100,000 zloty were received by the winners of a competition held by the Polish Ophthalmological Society.

More information on the activities of the Foundation and projects covered by its support can be found in the Annual Report of the Foundation published in mid-2015.

SUPPORT PROVIDED BY THE POLPHARMA SCIENTIFIC FOUNDATION IN 2013 AND 2014

TYPE OF ASSISTANCE	2013	2014
Value of grants awarded in research project competitions	PLN 325,200	PLN 977,250
Number of grants awarded	1	3
Number of projects reviewed	16	22
Scholarship competition (award in 2015)		19 applications
Countrywide PTFarm contest for the best Master thesis for students of pharmaceutical faculties	3 prizes (totalling PLN 5000)	3 prizes (totalling PLN 5000)
Recommended grant		2 grants (totalling PLN 100,000)
TOTAL AMOUNT OF ASSISTANCE	PLN 330,200	PLN 1,082,250

Patient needs have always been a priority to Polpharma. The Polpharma Scientific Foundation stems from that philosophy. The main objective of the Foundation is to finance research projects of exceptional importance for the development of medicine and pharmacy. We organise a competition every year which attracts really good projects, demonstrating that we have excellent scientists in Poland who are prepared to carry out outstanding research. Grants go to authors of works that are best rated by reviewers and the Scientific Council of the Foundation.

The activities of the Foundation are a testimony to Polpharma's responsibility for the condition of Polish science, which immediately translates into the quality of life and health of the general public. We are the only private party in Poland which has provided financial support for medical and pharmaceutical research already for 14 years. Most of the rewarded projects involve fundamental research aimed at exploring the mechanisms by which diseases are caused. This is the first step towards the discovery of new medicines and diagnostic methods, which we hope can be used to fight previously incurable diseases.



Bożenna Płatos, Manager of the Polpharma Scientific Foundation

We help turn ideas into realistic solutions

The young market economy in Poland has not developed fully effective mechanisms yet to finance innovative ideas devised by Polish scientists. Therefore, we are willing to engage in activities bridging that gap.

Start up with us!

We were a partner of Zacznij.biz, a competition organised by the Lewiatan Confederation and Lewiatan Business Angels. The competitors, owners of high-tech micro enterprises, scientists and students, had the opportunity to show their ideas to potential investors and to obtain funding to develop and implement new technologies. The participants additionally attended workshops on effective commercialisation of ideas.

The Golden Scalpel (Złoty Skalpel)

Since 2014, we have been a partner of the Golden Scalpel competition organised by Puls Medycyny, an independent medical journal. The competition has rewarded remarkable innovators in Polish health care for 8 years. In the 6th edition, the first prize and the study grant funded by Polpharma went to the Hemodynamics Team of the European Health Centre in Otwock. The team led by Prof. Adam Torbicki was the third one globally, after Japan and Norway, to implement balloon pulmonary angioplasty for patients with chronic thromboembolic pulmonary hypertension who had not qualified for cardiac surgeries beforehand.

Eureka DGP! Discovering Polish Inventions

We also engage in initiatives which support inventiveness at Polish universities. We supported two editions (2013/2014 and 2014/2015) of the Eureka DGP! Discovering Polish Inventions competition organised by Dziennik. Gazeta Prawna magazine, funding study grants for the winners (30,000 zloty in each edition). The winners of the first edition were a scientific team from

the Wrocław University of Technology and Nicolaus Copernicus University in Toruń. The award was granted for "Diagnostic tests for the identification of bacterial strains and their production methods". The invention allows to choose a suitable antibiotic for a patient much faster, which is essential and often life-critical in the case of bacterial infections. In the 2nd edition, the first prize was awarded to a team from the Jagiellonian University for the invention "Nested method for the detection of bacteria and fungi" for fast and inexpensive diagnostics of sepsis.

SMART SPECIALISATION IN POMERANIA

The new financial perspective of the European Union for 2014–2020 envisages a new breakdown of allocations from the EU cohesion funds. 'Smart specialisations' will be rewarded. Quoting the European Commission: "smart specialisation is about identifying the unique characteristics and assets of each country and region, highlighting each region's competitive advantages, and rallying regional stakeholders and resources around an excellence-driven vision of their future". The selection of a smart specialisation also means "strengthening regional innovation systems, maximising knowledge flows and spreading the benefits of innovation throughout the entire regional economy".

In June 2011, the Council of the European Union adopted a conclusion that Member States should perceive health policy not only as a source of expenditure, but also as an investment and a contributor to economic growth. This emphasises the importance of the civilisation challenge posed by ageing of European societies. Declarations of EU decision-makers are followed by actual EU funds allocated to activities and projects offering hope for significant improvements in preventive care and treatment, including diseases of affluence.

In the Pomorskie Province, otherwise than in other provinces, we adopted a unique bottom-up partnership-based process for the definition of smart specialisations, with regional authorities selecting the proposals with the highest development potential from among all entries using an open and competitive formula. The competitive procedure employed to select the specialisations triggered a very active entrepreneurial discovery process, engaging various partners from the region in the cooperation, who represented the business community, science, business support institutions and NGOs. Entities critically important to building cooperation between science with business were engaged in direct cooperation with the interested partners. They included Polpharma, which took up the role of a leader in the specialisation "Medical technologies in the field of diseases of affluence and ageing". We appreciate the contribution of Polpharma in the development of innovativeness in Pomerania and its engagement in the establishment of intersectoral partnerships. We believe that owing to a strong integration of the communities participating in the design of smart economic specialisations, many new and innovative projects, products and initiatives will emerge and achieve a leading and supraregional status once they are commercialised.



Mieczysław Struk,
Marshal of the
Pomorskie Province

Polpharma was the leader of a successful campaign aimed at making medical technologies in the field of diseases of affluence and ageing the smart specialisation of the Pomorskie Province. The shared goal called for understanding between a hundred or so local operators. It is noteworthy that the Pomorskie Province was one of few regions where the specialisation was chosen using a bottom-up approach.

The overarching goal of the initiative is to establish a platform for cooperation covering the following areas:

- integrated programmes for the prevention and monitoring of therapy in diseases of affluence (including monitoring of correct following medical advice by patients), supported by ICT and telemedicine solutions,
- innovative care systems for disabled and elderly patients – health monitoring, equipment improving the quality of life, home telemedicine,
- innovative therapeutic solutions supported by the application of biotechnology and innovative analysis and synthesis – follow-on biologics and biobetters, modern generic drugs, theranostics, personalised therapies,
- new materials applying chemistry, biotechnology and nanotechnology in the prevention of diseases and regenerative medicine.

The development of this smart specialisation in Pomerania is additionally fuelled by the Black Pearls LQT Fund established in 2015 in the framework of a project carried out by Black Pearls Investments and the National Centre for Research and Development, which has a budget of PLN 20 million for allocations to promising projects in the field of life quality technologies.



Gdansk Life Sciences Center

ACCOMPLISHED
IN 2015

GDANSK LIFE SCIENCES CENTER: WORKING TOGETHER FOR THE INNOVATIVE DEVELOPMENT OF THE REGION

The year 2015 saw the inauguration of an important Pomeranian project which we had worked on in the preceding months together with the Pomeranian Special Economic Zone: **the Gdansk Life Sciences Center**, a new jointly established unit will support the development and commercialization of valuable research projects in the fields of biotechnology, medicine and preventive medicine. The task of the business accelerator in Gdańsk is to turn as many projects as possible into real businesses. Authors of innovative ideas representing universities and research institutes will find comprehensive support in the Gdansk Life Sciences Center: access to expertise, business mentoring, assistance in obtaining appropriate funding. On our part, we ensure the possibility of turning ideas into reality on a non-profit basis in our laboratories and we contribute valuable know-how arising from international presence which is necessary to commercialise projects outside of Poland.

The Science and Business Council is responsible for the review of the projects submitted. Its members include outstanding scientists and experienced business representatives. The Council is chaired by Prof. Krzysztof Bielawski, Director of the Technology Transfer Centre of the Intercollegiate Faculty of Biotechnology of the University of Gdańsk and the Medical University of Gdańsk.

The Gdansk Life Sciences Center will closely cooperate with organisations working towards the increase of innovation and competitiveness in Poland, such as the Foundation for Polish Science or the National Centre for Research and Development.

I am full of appreciation for the initiative of the Pomeranian Special Economic Zone carried out in cooperation with Polpharma. The engagement of a Polish company experienced in the commercialisation of innovative ideas greatly complements the knowledge and scientific competence developed by Pomeranian universities. I hope that the activities of the Gdansk Life Sciences Center will translate into real success and development of innovation, especially in our region. For me, it is a challenge and a honour to chair the Scientific Council, which hosts the elite of Polish scientists. The establishment of the Centre is a great success in itself, but time-consuming and laborious efforts are necessary to make full use of its capacity.



Prof. Krzysztof Bielawski,
Director of the Technology
Transfer Centre
of the Intercollegiate
Faculty of Biotechnology
of the University
of Gdańsk and the
Medical University
of Gdańsk

14. WE EDUCATE MEDICAL AND PHARMACEUTICAL PROFESSIONALS

Being the largest pharmaceutical company in Poland, we want to share the knowledge and experience of our experts to doctors and pharmacists throughout Poland. We engage in the education and development of the medical and pharmaceutical community in many respects. The activities of particular importance are:

- organisation and supporting of **conferences, workshops and debates** which offer the attendees (doctors, pharmacists, scientists and students) opportunities to enhance their knowledge on the latest achievements and research results,
- sharing knowledge through the **European Educational Programme**, which

Knowledge-Based Partnership

In 2013 and 2014, we organised more than 180 national events for the medical community: specialist conferences, congresses, competitions, education workshops in a range of specialisations, such as cardiology, gastroenterology, neurology, gynaecology, allergology, dermatology and ophthalmology.

Since 2002, we have been developing the European Educational Programme (EEP), featuring cyclical free scientific conferences and workshops for doctors. Moreover, we supported more than 380 important community events.

Holding our meetings in various regions of Poland, from the biggest agglomerations to small towns, we share our knowledge with a very wide medical and pharmaceutical audience.

What makes our educational activities different is their very hands-on nature. Workshop participants can watch the latest diagnostics or treatment solutions in action, presented by top specialists.

has reached thousands of Polish doctors for 13 years,

- providing students with the opportunity to contrast their academic learning with the practice of the pharmaceutical industry by means of the **Knowledge Pharm education programme**, carried out since 2007,
- development and provision to doctors of innovative working tools, such as the **DrWidget** which includes five applications supporting all operating systems, used by approx. 30,000 doctors in Poland,
- carrying out training **programmes for foreign students**, mostly from Kazakhstan, enabling them to improve competence and develop scientific

Practical demonstrations – in the field of dermatology, gynaecology, or even live eye surgeries – are a permanent feature of EEP meetings for doctors. Medicine is constantly developing, and the same applies to imaging technologies, such as echocardiography or electrocardiography. We try to respond to the needs of doctors and we organise workshops in those fields.

In 2013 and 2014, we additionally organised two editions of endoscopy workshops for gastroenterologists, in cooperation with the CMKP Hospital, under the direction of Prof. Jarosław Reguła, the national gastroenterology consultant.

In the framework of EEP meetings for gynaecologists and dermatologists, we had dermatoscopy and ultrasound workshops. We invited gynaecologists to the Women's Health University – education meetings on the risk of HSV infections in pregnant women and newborns, and midwives to participate in five editions of the Polpharma Midwives' Academy dedicated to innovative contraception and the legal aspects of the act of law which is to become effective

In our opinion, the role of a leader entails obligations both towards the society and towards scientific and medical communities. With that in mind, we created the European Educational Programme 13 years ago. Since then, already more than 20,000 doctors and pharmacists took part in EEP conferences, learning about the latest advancements of medicine. We are aware how difficult and demanding the jobs of a doctor and pharmacist are in the today's world. Patients expect more and more thorough help from the health care system, forcing doctors not only to continuously expand their knowledge, but also to improve their communication skills. Polpharma strives to pursue those needs and respond to them, delivering a wide range of conferences, workshops and training courses.



Agata Łapińska,
Rx Marketing
Director,
Polpharma
Trade Office

NUMBER OF CONFERENCES ORGANISED IN 2013 AND 2014

	2013	2014
IN POLAND (TOTAL)	236	331
ORGANISED BY POLPHARMA	92	89
SUPPORTED BY POLPHARMA	144	243

in 2016, concerning the prescription of medications by midwives.

A series of three ultrasound workshops was delivered by Dr Tomasz Roszkowski, a renowned gynaecologist, based on his own concept. Ultrasound workshops delivered by three top Polish ultrasound experts were also held as part of the EEP, attracting a total of 400 participants, who had the opportunity to see live examinations and listen to a lecture on the legal aspects of retention of ultrasound scan records.

We additionally held an educational workshop where we examined 22–24 weeks pregnant patients using a state-of-the-art ultrasound machine.

Furthermore, we had the Alert Karat workshop for doctors, devoted to first aid in medical emergencies. With the Get Ready for a Shock campaign (for more information, see p. 19), we reached a wide group of doctors, general practitioners, allergists and nurses with anaphylaxis expertise, including the principles of giving first aid. We additionally developed the first anaphylaxis algorithms for doctors in the history of the Polish medicine. Surveys have shown an immense level of ignorance on that subject which is even more dangerous considering that only a quick and proper response offers a chance to save someone's health or even life. The experts taking part in the campaign shared the view that clear and simple procedures had to be prepared and disseminated. The new algorithms show in a clear and graphical way the first steps that should be taken in the case of anaphylaxis. The experts developed three versions of the algorithm: for general practitioners, allergists and patients. The algorithms are distributed to doctors and all participants of the anaphylaxis first aid workshop.



THE EUROPEAN EDUCATIONAL PROGRAMME – KNOWLEDGE IN A NUTSHELL

Our proprietary European Educational Programme has been reaching doctors from all over Poland with updates on the condition and advancements of medicine and pharmacy for more than 13 years. What makes EEP special is the exceptionally large audience (more than 20,000 doctors from all over Poland in 13 years), who appreciate the attractive formula of hands-on workshops and the careful selection of meeting themes.

Top experts from relevant fields take part in the preparation of the EEP scheme. In the recent years, the Programme has focused on the improvement of knowledge in the fields of cardiology, gastroenterology, neurology, ophthalmology, dermatology and gynaecology. Since 2012, we have been organising national conferences for general practitioners as part of the EEP. During the meetings, they are told about the key highlights of medicine advancements 'in a nutshell'. The workshops are extremely popular and are attended by approx. 800 doctors on average. We have also held EEP meetings for ophthalmologists since 2013.

Live Surgery

Conferences organised as part of the European Educational Programme are also an opportunity to participate in live surgeries. In 2013, 450 doctors who came to Jachranka could watch a cataract removal, while a year later, phthalmologists visiting the Ossa resort 'assisted' in two surgeries performed by teams led by Prod. Jacek Szaflik from the Public Ophthalmic Teaching Hospital in Warsaw.

I am deeply convinced that the European Educational Programme brings new training quality for doctors, pharmacists and nurses. It combines theory and practice, with an emphasis on the latter. This belief is supported by a great deal of feedback offered by EEP participants. The results of the EEP training strategy are a great success to both Polpharma and the excellent lecturers. They include: Prof. Zembala, Prof. Skarżyński, Prof. Kuna, Prof. Filipiak, Prof. Narkiewicz, Prof. Stępień, Prof. Skrzypulec-Plinta, Prof. Kaszuba, to name just some. This innovative strategy allows to stay focused on the achievement of the main objective, which is to raise the broadly defined quality of medical services. The learning from the training courses allows to get more job satisfaction, measured by diagnostic and therapeutic success. This, in turn, increases patient confidence in doctors, pharmacists and nurses/educators.

Prof. Józef Drzewoski,
Internal Medicine,
Diabetology
and Clinical
Pharmacology
Clinic of the
Medical University
of Łódź. Scientific
patron of EEP
for 12 years

EEP FOR GENERAL PRACTITIONERS IN 2013 AND 2014

3 nationwide conferences

2400 doctors

4,45 – average lecture merit score (on a scale from 1 to 5)

Offering Digital Support

We are committed to providing the most up-to-date medical knowledge to medical and pharmaceutical professionals. Therefore, in parallel to our 'live' events, we share knowledge in the digital space – all year round, in a convenient and practical manner. Our www.polpharma.tv website offers live streams from major events. During the interviews, virtual participants can ask

questions to lecturers via a moderated chat window.

In our education and expertise portals, such as www.leczpaznokcie.pl or www.abcmigrena.pl, we created separate sections for doctors and pharmacists, where they will find complete and up-to-date information on individual diseases and effective therapies.



DrWidget Never Sleeps

DrWidget (www.DrWidget.pl) is our flagship solution, a continually developed medical information platform supporting doctors and pharmacists in their jobs, also as a series of mobile applications. DrWidget is a constantly updated medical information resource accessible from any device (computer, tablet, smartphone) which includes the following applications:

- **DrWidget Baza Leków** – pdrug database) – more than 15,000 medicinal products described in great detail; the application allows to easily check the indications for use of a medicinal product, its price, copayment level or relevant information for reimbursable drugs,
- **DrWidget Interakcje** – (interactions) – provides information on dangerous interactions between combinations of drugs; it also contains warnings about drug use,
- **DrWidget CalcMed** – medical calculators linked to a drug database which allow to calculate dosage depending on age, weight, as well as BMI, average blood pressure, LDL or basal metabolic rate,
- **DrWidget Normy i Skale** – (reference ranges and scales) – a clear presentation of medical reference ranges and scales commonly used in medicine,
- **DrWidget Ewuś** – allows to quickly check if a patient is entitled to free health care,
- **DrWidget ICD-10** – an extensive database containing a set of diseases and related health problems according to the ICD-10 classification and the related drugs and APIs registered in Poland.

We have also developed specialist proprietary applications for doctors:

- **Cardiology calculators**, auxiliary treatment algorithms for patients with acute coronary syndromes, cardiac insufficiency, atrial fibrillation and pulmonary embolism,
- **Pulmonary Algorithms**, with auxiliary treatment algorithms for patients with asthma, COPD, pneumonia, nicotine addition, sinusitis, influenza and obstructive sleep apnea,

- **Dyslipidemia algorithms**, created to educate doctors on the diagnosis and treatment of dyslipidemia in cardiovascular risk patients, including the assessment of indications for statin treatment, provision of target LDL-C levels, optimum statin dosage, schedule of blood tests and procedures to follow in case of suspected complications in statin treatment

POLPHARMA'S EDUCATION AND EXPERTISE WEBSITES FOR DOCTORS AND PHARMACISTS

www.abcmigrena.pl/dlalekarzy

An educational website about migraine treatment addressed to specialists, in particular neurologists and general practitioners. Doctors can also learn about the most recent advancements in neurology and headache treatment, or put their knowledge to the test by participating in e-learning sessions and competitions.

www.leczpaznokcie.pl/dla-lekarzy

An online guide for specialists – gynaecologists and dermatologists – on fungal infections and foot and nail diseases. Doctors can also learn about the most recent advancements in dermatology and treatment of fungal infections, or put their knowledge to the test by participating in e-learning sessions and competitions.

www.DrWidget.pl

A hands-on website offering a range of useful tools for every doctor. The site includes current drug indexes with a convenient search function, medical calculators, a tool to check drug interactions or useful standards and scales. All functions are additionally available as a series of mobile applications.

www.polpharma.tv

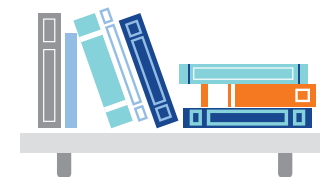
An online service with free video content for medical specialists and general practitioners. It features cyclical streaming of lectures delivered by outstanding specialists in particular scientific fields, and the remaining content is available on a VOD basis.

www.farmacjapraktyczna.pl

A portal for front-line pharmacists, pharmacy managers and owners. It features specialist papers on drugs and diseases, pharmaceutical care, as well as legal and pharmacy administration advice. The website has 17,700 unique users on average. The *Farmacja Praktyczna* website is the second best-known specialised online service for pharmacists, excluding websites of official authorities.

In Black and White

We bring the latest insights closer to doctors by means of a wide range of publications, books and brochures released with our support.



In 2013 and 2014, we supported the publication of several scientific works written by most recognised specialists. They included: "Atlas patologii nowotworów skóry", "Wybrane aspekty prawne w ginekologii dziecięcej", "Neurologia tom 1", "Pierwsza pomoc okulistyczna", "Antykoncepcja Vademecum", "Problemy kardiologiczne w praktyce lekarza podstawowej opieki zdrowotnej", "Genialna maszyna Biografia serca", "Stany nagłe. Podstawowe procedury zabiegowe", "Wielka Interna. Gastroenterologia część 1", "Interna Szczeklika 2014/2015" or "Wybrane aspekty boreliozy z Lyme".

Among dozens of brochures and education pamphlets published in 2013 and 2014, some address such issues as the irritable bowel syndrome (IBS), ulcers, fungal infections of the skin and nails, or glaucoma. The Polpharma Scientific Foundation, in turn, publishes *Postępy Polskiej Medycyny i Farmacji*. *Zeszyty Naukowej Fundacji Polpharmy*, a scientific magazine giving an overview of research papers based on research projects financed by the Foundation. Three volumes have been published so far, and the fourth one is in preparation.

The range of educational publications is completed by *Farmacja Praktyczna*, a monthly published since 2007 for Polpharma Trade Office. For many years, the magazine has been the leader of the press segment addressed to pharmacists.

The www.farmacjapraktyczna.pl website is a compendium of knowledge in the field of pharmaceutical care, applicable law and the practical operation of pharmacies.



Support from the Start

We would like young scientists, soon-to-be doctors and pharmacists to enter the labour market not only with in-depth knowledge taken out from university, but also with hands-on information which is essential to understand the specific nature of our industry. Since 2007, we have been carrying out the **Knowledge Pharm**, a proprietary programme consisting of a series of conferences for pharmacy students and (separately) medicine students. We organise the meetings in cooperation with local and regional authorities as well as student organisations, including *Młoda Farmacja* (Young Pharmacists) – the largest association of pharmacy students in Poland. 19 conferences have been held so far, attended by more than 2000 students from 10 medical universities in Poland. In 2013 and 2014, we had 5 conferences with 449 attendees.

The International Conference of Student Scientific Circles

We have been cooperating with the student scientific circles of the Medical University of Warsaw for 12 years. We are a partner for scientific camps in Starogard Gdański and the accompanying international conferences held on our premises. The future doctors from Poland, but also from Belarus and Moldova, attend English-language lectures given by outstanding professors and specialists. They are also offered the opportunity to present their own accomplishments. The level of expertise of the young attendees is best reflected by the fact that the audience includes many future PhD students with scholarships from the Medical University of Warsaw.

KNOWLEDGE PHARM IN FIGURES:

5 conferences in 2013 and 2014

19 conferences since the beginning of the programme

449 participants in 2013 and 2014

2179 participants from 10 Polish medical universities since the beginning of the programme

Polpharma makes a difference by supporting the development of medical sciences in Poland. The academic community is glad that a private company is willing to help students, to give them the opportunity to share their accomplishments with the public and to have scientific discussions with professionals. We would like the private sector to give as much support to universities as in does in other countries. Such support means investing in the development of the country, especially in the medical field. Polpharma excels in it.



Prof. Marek Krawczyk,
Rector of the
Medical University
of Warsaw

Aside from the Knowledge Pharm, Polpharma supported **19** Polish and international scientific conferences, congresses and meetings organised by university students and medical organisations in 2013 and 2014.

GRI CONTENT INDEX

Indicator	Indicator description	Reporting range	Pages	External assurance
STRATEGY AND ANALYSIS				
G4-1	Statement from the most senior decision-maker	complete	4-5	yes
G4-2	Description of key impacts, risks, and opportunities	complete	4-5	yes
ORGANIZATIONAL PROFILE				
G4-3	Name of the organization	complete	2	yes
G4-4	Primary brands, products, and services	complete	2	yes
G4-5	Location of the organization's headquarters	complete	3	yes
G4-6	Number of countries where the organization operates, and names of countries	complete	3	yes
G4-7	Nature of ownership and legal form	complete	3	yes
G4-8	Markets served	complete	3	yes
G4-9	Scale of the organization	complete	2-3	yes
G4-10	total number of employees by region, age, gender and employment contract	complete	52	yes
G4-11	Percentage of total employees covered by collective bargaining agreements	complete	55	yes
G4-12	The organization's supply chain	complete	71	yes
G4-13	Significant changes during the reporting period	complete	1	yes
G4-14	Precautionary approach	complete	11	yes
G4-15	Externally developed initiatives to which the organization subscribes or which it endorses	complete	10	yes
G4-16	Memberships of associations	complete	10	yes
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES				
G4-17	Entities included in the organization's consolidated financial statements	partial	2	yes
G4-18	Process for defining the report content	complete	8	yes
G4-19	Material aspects identified in the process for defining report content	complete	9	yes
G4-20	Scope and materiality of identified aspects for all entities within the organization	complete	9	yes
G4-21	Scope and materiality of identified aspects outside of the organization	complete	9	yes
G4-22	Restatements of information provided in previous reports, and the reasons for such restatements	complete	1	yes
G4-23	Significant changes from previous reporting periods	complete	1	yes

Indicator	Indicator description	Reporting range	Pages	External assurance
STAKEHOLDER ENGAGEMENT				
G4-24	List of stakeholder groups engaged by the organization	complete	11	yes
G4-25	Identification and selection of stakeholders with whom to engage	complete	10	yes
G4-26	Approach to stakeholder engagement	complete	10	yes
G4-27	Key topics and concerns that have been raised through stakeholder engagement	complete	9, 10	yes
REPORT PROFILE				
G4-28	Reporting period	complete	1	yes
G4-29	Date of most recent previous report	complete	1	yes
G4-30	Reporting cycle	complete	1	yes
G4-31	Contact point	complete	1	yes
G4-32	GRI content index	complete	88-91	yes
G4-33	Assurance	complete	92	yes
GOVERNANCE STRUCTURE AND COMPOSITION				
G4-34	Governance structure of the organization	complete	11	yes
ETHICS AND INTEGRITY				
G4-56	Values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	complete	36,38-39	yes
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines	complete	40	yes
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity	complete	40	yes
ECONOMIC INDICATORS (EC)				
EC-DMA	Management approach (for economic performance)	partial	2	yes
G4-EC1	Direct economic value generated and distributed	partial	2, 16	yes

Indicator	Indicator description	Reporting range	Pages	External assurance
ENVIRONMENTAL INDICATORS (EN)				
EN-DMA	Management approach (for materials)	complete	61, 67	yes
G4-EN1	Materials used by weight or volume	complete	67	yes
G4-EN2	Percentage of recycled input materials used to manufacture the organization's primary products and services	complete	68	yes
EN-DMA	Management approach (for energy consumption)	complete	64	yes
G4-EN3	Energy consumption within the organisation	complete	64	yes
G4-EN6	Reduction of energy consumption	complete	65	yes
EN-DMA	Management approach (for water withdrawal)	complete	65	yes
G4-EN8	Total water withdrawal by source	complete	66	yes
EN-DMA	Management approach (for effluents and waste)	complete	65, 68	yes
G4-EN22	Total water discharge by quality and destination	complete	66	yes
G4-EN23	Total weight of waste by type and disposal method	complete	68	yes
EN-DMA	Management approach (for impacts of products and services)	complete	61-62	yes
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	complete	63	yes
EN-DMA	Management approach (for compliance)	complete	61-62	yes
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	complete	61	yes
EN-DMA	Management approach (for environmental expenditures)	complete	61, 63	yes
G4-EN31	Total environmental protection expenditures and investments	complete	63	yes
SOCIAL INDICATORS: LABOR PRACTICES AND DECENT WORK (LA)				
LA-DMA	Management approach (for employment)	complete	51	yes
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	complete	53	yes
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	complete	55	yes
LA-DMA	Management approach (for occupational health and safety)	complete	47, 49	yes
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	complete	50	yes
LA-DMA	Management approach (for training and education)	complete	52, 54	yes
G4-LA9	Average hours of training per year per employee by gender, and by employee category	complete	54	yes
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	complete	54	yes
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender	complete	55	yes

Indicator	Indicator description	Reporting range	Pages	External assurance
LA-DMA	Management approach (for diversity and equal opportunity)	complete	59	yes
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	complete	12, 59	yes
SOCIETY INDICATORS (SO)				
SO-DMA	Management approach (for local communities)	complete	27, 34	yes
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	complete	27	yes
SOCIETY INDICATORS FOR PRODUCT RESPONSIBILITY (PR)				
PR-DMA	Management approach (for product labeling and customer health and safety)	complete	43-44	yes
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	complete	43	yes
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	complete	45	yes
PR-DMA	Management approach (for product and service labeling)	complete	41, 46	yes
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	complete	46	yes
PR-DMA	Management approach (for marketing communications)	complete	41	yes
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	complete	42	yes
PR-DMA	Management approach (for compliance)	complete	42	yes
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	complete	42	yes

Niezależny raport poświadczający dotyczący Raportu Społecznej Odpowiedzialności Grupy Polpharma 2013-2014 Do Zarządu Polpharma S.A

Dokonałiśmy przeglądu Raportu pt. „Raport Społecznej Odpowiedzialności Grupy Polpharma 2013-2014” (zwanego dalej „Raportem Społecznym”) opracowanego przez Polpharma S.A. z siedzibą w Starogardzie Gdańskim przy ul. Pielplińska 19 (dalej „Spółka”), w zakresie istotnych aspektów zidentyfikowanych przez Spółkę oraz wskaźników zaprezentowanych w oparciu o Wytyczne do raportowania kwestii zrównoważonego rozwoju G4 dla raportowania ustalonego na poziomie „Core”, wydane przez Global Reporting Initiative (GRI). Prace poświadczające w zakresie danych ilościowych oraz jakościowych obejmowały okres 1 stycznia 2013 r. do 31 grudnia 2014 r.

Za rzetelność, prawidłowość i jasność informacji w nim zawartych oraz za prawidłowość przygotowanej dokumentacji odpowiada Zarząd Spółki. Naszym zadaniem było wydanie, na podstawie przeglądu Raportu Społecznego, niezależnego raportu poświadczającego.

Nasze procedury nie obejmowały niezależnej oceny prawdziwości, dokładności i kompletności informacji i dokumentów przekazanych przez Spółkę. Nie stanowiły także badania systemu kontroli wewnętrznej wdrożonego w Spółce i w ich wyniku nie wyrażamy opinii na temat poprawności tego systemu. Nasze procedury nie stanowiły badania sprawozdań finansowych w rozumieniu Ustawy o rachunkowości. W związku z tym nie wyrażamy w niniejszym Raporcie opinii biegłego rewidenta ani żadnych innych stwierdzeń odnośnie sprawozdań finansowych Spółki w rozumieniu obowiązujących przepisów dotyczących biegłych rewidentów.

Prace związane z planowaniem i realizacją zadania weryfikacyjnego miały charakter zlecenia poświadczającego o ograniczonym zakresie, realizowanego według ISAE 3000 – Międzynarodowego Standardu Usług Poświadczających („*Usługi poświadczające inne niż badania lub przeglądy historycznych informacji finansowych*”). Standard ten nakłada na nas obowiązek zaplanowania i przeprowadzenia przeglądu w taki sposób, aby uzyskać umiarkowaną pewność, iż Raport Społeczny nie zawiera istotnych nieprawidłowości. Zakres i metoda przeglądu Raportu Społecznego istotnie różni się od badania skierowanego na dostarczenie wystarczającego zapewnienia (*reasonable assurance*). Celem przeglądu nie jest wyrażenie opinii o prawidłowości, rzetelności i jasności Raportu Społecznego i w związku z tym opinii takiej nie wydajemy. Procedury dotyczące przeglądu Raportu Społecznego obejmowały:

- Identyfikację zagadnień i wyników istotnych dla treści Raportu Społecznego z punktu widzenia realizacji celów i działań ze sfery odpowiedzialnego biznesu oraz oczekiwań jej interesariuszy.
- Wywiady z osobami odpowiedzialnymi za realizację celów i działań ze sfery odpowiedzialnego biznesu oraz za przygotowanie Raportu Społecznego.
- Weryfikację informacji zawartych w Raporcie Społecznym pod kątem zgodności z dokumentacją wewnętrzną Spółki.
- Ocenę stopnia aplikacji Wytycznych do raportowania kwestii zrównoważonego rozwoju oraz uwzględnienia Ramowych Zasad Raportowania GRI.

Przeprowadzony przez nas przegląd dostarczył nam zapewnienia o ograniczonym zakresie (*limited assurance*) do tego by potwierdzić, że nie zostały zidentyfikowane istotne błędy w zakresie danych i informacji zawartych w Raporcie Społecznym przygotowanym przez Polpharma S.A., dotyczących zidentyfikowanych istotnych aspektów oraz wskaźników całościowo raportowanych przez Spółkę, jak również niezgodności z Wytycznymi do raportowania kwestii zrównoważonego rozwoju G4, ustalonymi dla poziomu „Core”, wydanymi przez Global Reporting Initiative.

Deloitte Advisory Sp. z o.o.
Warszawa, dnia 31 grudnia 2015



Sąd Rejonowy m. st. Warszawy, KRS 000004728, NIP: 527-020-73-28, REGON: 006233202,
Kapitał zakładowy: 16 000 500 zł
Member of Deloitte Touche Tohmatsu Limited

We are presenting you with the second CSR report drawn up by our company in accordance with the Global Reporting Initiative guidance. This time, the report outlines the achievements of Polpharma Group as a whole in 2013 and 2014 and the Group's corporate social responsibility strategy until 2018.

The report was drawn up in parallel to the strategy, and in consequence the group of people involved in the process for several months was very large. We are very grateful to all employees across Polpharma Group locations in Poland who supported the process of collection of data and material and co-authored the report. Special credit goes to individual function leaders, who contributed their advice and experience at each stage of work on the strategy and the report. We would also like to say thank you to our stakeholders – partners, associates and representatives of a number of important organisations and entities, whose inputs can be found in the report.

Finally, we would like to thank SGS and the team led by Ms Małgorzata Greszta, who supported us with their advice in the strategy and report development process, and Deloitte for the review of the data disclosed in the report.

Magdalena Rzeszotalska

CSR HISTORY AT POLPHARMA GROUP

2009	Launch of the Solution to Forgetfulness (Rozwiązanie na zapominanie) campaign addressed to people whose loved ones are starting to have memory problems
2008	Publication of the first Polish monograph on therapeutic compliance and doctor-patient cooperation In chronic diseases by the Polpharma Scientific Foundation
2008	Launch of It's a Shame not to Ask – Pregnancy without Herpes (Wstyd nie zapytać – ciąża bez opryszczki) – an education campaign addressed to pregnant women and those planning to start a family
2008	First edition of the Green Process (Zielony Proces) competition which rewards environmental initiatives of employees
2008	Implementation of the Green Chemistry (Zielona Chemia) policy, which is a commitment to consider the environment already at the stage of design of products and manufacturing technologies
2008	Initiation of the Knowledge Pharm (Pharma Wiedzy) programme for medicine and pharmacy students from all Polish universities
2008	Publication of the first environmental report
2007	Obtaining the ISO 14001 environmental certificate and OHSAS 18001 occupational health and safety certificate
2004	Obtaining the 'Integrated permit', which confirms that the company meets EU requirements on Integrated pollution prevention and control
2003	The first title of the Friend of Polish Cardiology awarded to Polpharma by the Polish Cardiac Society
2002	Launch of our European Educational Programme aimed at providing knowledge on the latest advancements In medicine and pharmacy to doctors and pharmacists
2002	Inauguration of Polscreen: the Polish Programme for the Prevention of Coronary Disease, which was the largest population-based study In the world. Approx. 730.000 patients were examined as part of the Polscreen programme from 2002 to 2005
2001	Establishment of the Foundation for the Development of Polish Pharmacy and
2000	Polpharma decides to sponsor Polpharma Starogard Gdański. a men's basketball team
2000	Privatisation of Polpharma based on Polish capital and the beginning of a shift In the company's mindset on Its role within the society