

SOCIAL RESPONSIBILITY POLICY OF ALKALOID AD ***"Symbiosis for healthier life and future"***

We exist and have been doing our business successfully for more than 7 decades. Each year and in every segment we are fully dedicated and we strive to improve our operations, to develop and grow, in an ambitious and sustainable manner. However, we never forget our people, the environment and the society where we belong.

As an extension to our core values of caring, integrity, initiative and superior quality of our products and as the largest pharmaceutical company in the region, we aim to remain a socially responsible and ethical company. In order to maintain our values, we are focusing our efforts on 4 key areas:

- Our customers and clients
- Our employees
- Our communities
- Our shareholders

Our customers and clients

We provide our customers with high quality products, which are clinically tested and meet the most recent and most stringent international standards. We offer warranty with our commitment, our reputation, the high standards and the certificates we have. Our organizational structure allows us to listen and respond to our customers' most sensitive needs. The functioning with our clients takes place in compliance with the high standards and the development, interweaving the mutual performance into the perfect cooperation. Each year we have panel meetings and discussions (brainstorming sessions) with our suppliers in order to improve each segment of our relation.

Our employees

We encourage and recognize continuous improvement, innovations in every segment, pragmatic thinking and acting as well as continuous education. We invest in our people and in improvement of their skills. By this, we invest in their future and the future of our company. For this purpose, we have reconstructed and fully equipped our educational centre in Dojran, the Republic of Macedonia.

We are continuously improving the working conditions, the benefits for our employees and the reward system. But, simultaneously, we focus on the improvement of our efficiency and our system as a whole. We have been awarded a plaque by the Macedonian Occupational Safety and Health Association for being the safest employer of the year. We take care to sustain as a brand as an employer, and thus to be represented by our employees in the most positive light.

"I see no higher priority than highly professional and ethical behaviour of our staff, regardless of their country of origin or position in the company. We are here to achieve our mission and vision, and every employee, with his or her conduct, should manifest strong will and intention to achieve them." said our CEO / MB President Mr.

Zhivko Mukaetov in his addressing to Alkaloid's employees in the Code of ethical and corporate conduct in October 2009, and added: *"The Code of ethical and corporate conduct is not something we apply the moment we are employed with Alkaloid AD or we practice when we find the time. The Code should serve as an indicator of what we do and how we behave every minute or moment of the day."*

Our community

Starting from the academic year 2007/08 to date, the "Trajce Mukaetov" Foundation takes part in sponsoring 102 students of pharmacy and medicine at "Sts Cyril and Methodius" University. After their graduation they have a chance to build their career in Alkaloid AD.

We support and contribute to the successful functioning of a large number of Macedonian and foreign chambers, associations and organization. Alkaloid AD is also a proven supporter of the Macedonian sport and the Macedonian national teams in handball, volleyball and basketball. The chess team of Alkaloid AD is honorably representing the Macedonian flag. In addition, we actively support the culture by providing supreme conditions for our supreme artists to create works of art.

Some of the stakeholders we have had cooperation with over the past years:

AmCham

Pharmaceutical Chamber

Economic Chamber of Macedonia

Chamber of Economics

Ministry of Environment and Physical Planning of the Republic of Macedonia

Ministry of Health of the Republic of Macedonia

The Health Fund of the Republic of Macedonia

The World Bank

European Bank for Reconstruction and Development (EBRD)

The World Health Organization (WHO)

International Financial Corporation (IFC)

USAID

UNICEF

"Sts Cyril and Methodius" University in Skopje:

- Pharmaceutical Faculty*
- Faculty of Science – Institute of Chemistry*
- Medical Faculty*
- Faculty of Electrical Engineering and Information Technologies*
- Faculty of Mechanical Engineering*

FON University – Skopje

European University – Skopje

University of Economics- Ljubljana

Macedonian Chess Federation

Macedonian Volleyball Federation

Macedonian Basketball Federation

Macedonian Handball Federation

Our shareholders

Our business approach is to work in a transparent and ethical manner. We communicate with our shareholders and the public and we inform them clearly, accurately and promptly for every important issue. We take care to increase our

shareholders' value through an ambitious, realistic and justifiable growth, by reducing the risk, improving the market share, the internal efficiency and the process of business planning.

For the past two decades we have invested nearly 60 million Euros in our production facilities, R&D centre, quality control, warehouses, software and ERP solutions, and all in compliance with the cGMP standards.

In 2009 we have been awarded by the Macedonian Stock Exchange as the most transparent company. Our approximately 6000 shareholders, around 11% being foreign investors, receive their dividend each year, with approximate two-digit increment from year to year. As a corporation, we are devoted to continuous growth and we strive to fulfill our mission and vision in the most professional manner.

Our CEO/MB President Mr. Zhivko Mukaetov would say:

“Notwithstanding the difficulties, we must continue Alkaloid’s trend of growth and continue to be the good news coming from Macedonia.”