



Modern Slavery Act 2015: Statement

Riga, March 3, 2025

This statement is made pursuant to section 54 of the Act and constitutes the Modern Slavery and Human Trafficking Statement for 2023

1. Overview

JSC "GRINDEKS" [*in Latvian: Akciju sabiedrība "GRINDEKS"*], a Latvian pharmaceutical manufacturer and wholesaler operating in over 100 countries worldwide, is driven by a mission to enhance the well-being of individuals. Our commitment lies in creating straightforward and innovative solutions that elevate the quality of life. In line with our vision, we aspire to offer unparalleled health support globally.

Our core values form the foundation of our endeavors:

1. **Humanity:** We approach people's health needs with respect and responsibility, fostering an environment where assistance is readily available.
2. **Simplicity:** We simplify complexity, striving to make health solutions accessible to everyone.
3. **Growth:** Adapting to the dynamic lifestyle of today, our product portfolio addresses health issues innovatively, meeting the current needs of individuals.

Ethical conduct, compliance with laws, and transparency are paramount in our business operations, which constitute a highly regulated sphere. We are dedicated to preventing and eliminating modern slavery and human trafficking, aligning our practices with applicable laws and internal regulations we have established. Recognizing our responsibility, we ensure that slavery and human trafficking have no place within our supply chains or any facet of our operations. Our actions are guided by the company's values, and we continually assess our work to ensure alignment with these principles.

2. Employment Practices

Our company has a longstanding collaboration with the local trade union associated with our organization. We actively support their work, and a general agreement is in place between our company and the union, addressing various aspects of labour relations. The union represents and advocates for the economic, social, and professional interests of our workforce, in addition to fulfilling other statutory functions. As a non-governmental organization, the union plays a crucial role in safeguarding the rights of workers. Our successful partnership with the local trade union is instrumental in ensuring compliance with the rights and interests of those working within our enterprise.

In addition to the trade union, our company has elected employee representatives who actively protect and promote the interests and rights of the workforce. These elected representatives contribute to the well-being of our employees and play a vital role in ensuring that their rights are upheld.

JSC "GRINDEKS" is dedicated to the well-being of its employees. In addition to complying with applicable laws that grant specific rights to workers, we have implemented various additional safeguards to ensure that our employees feel more secure and protected.

3. Compliance with the Modern Slavery Act 2015

This statement applies to JSC “GRINDEKS” and its affiliates and subsidiaries, as part of the broader operations of JSC “GRINDEKS”. It reflects our shared commitment to ethical business practices, compliance with the Modern Slavery Act 2015, and the prevention of slavery and human trafficking across all entities within our corporate structure.

4. Risk Assessment

We regularly assess the risk of slavery and human trafficking in our supply chains and operations, including those of our subsidiaries and affiliates, ensuring a consistent approach to ethical business practices. This includes evaluating the geographical locations of our suppliers, the nature of the products or services provided, and the effectiveness of our internal control systems.

JSC “GRINDEKS” wishes to underscore the circumstances within our sector, which, given its highly regulated nature, contribute to an overall assessment of low risk in terms of potential violations. In our industry, characterized by stringent regulations, we consistently evaluate the risk of possible infractions as low. This is attributed to the fact that not only do we conduct audits on our partners, but governmental bodies also conduct audits on companies engaged in pharmaceutical business, including those involved in various facets of the pharmaceutical industry. These companies are required to obtain diverse licenses, a factor that, in general, contributes to reducing the risk of any form of slavery or human trafficking within our business and supply chains.

Our commitment to regulatory compliance and ethical business practices is fortified by the scrutiny imposed by both our internal auditing processes and external governmental oversight. The pharmaceutical industry's requirement for varied licenses acts as a further safeguard, contributing to our comprehensive approach to risk mitigation and the prevention of modern slavery and human trafficking.

5. Due Diligence

We conduct thorough due diligence on all new and existing suppliers to ensure they comply with our anti-slavery and human trafficking standards. This may include site visits, audits, and contractual obligations.

As part of our ongoing efforts, we conduct thorough due diligence on our partners through a sanction screening process.

We extend our compliance beyond the sanctions imposed by Latvia and the European Union, encompassing sanctions that substantially impact the financial system of Latvia and those of individual NATO member countries. In the course of this screening process, in addition to referencing official sanction lists, we undertake a comprehensive evaluation of our partners. This assessment is based on information provided both by the partners themselves and sourced from objective, reputable channels.

Our commitment to sanction compliance and due diligence aligns with international standards, ensuring that our business activities are conducted ethically and with a focus on mitigating any risks associated with modern slavery or human trafficking.

The same rigorous due diligence process applies to our subsidiaries and affiliates to ensure full compliance with our anti-slavery and human trafficking commitments.

6. Code of Conduct

We have established the Code of Conduct and other internal directives that outlines the ethical and legal standards we expect from our employees, suppliers, and business partners. This

includes a commitment to human rights, fair labor practices, and the prohibition of slavery and human trafficking.

7. Training and Awareness

All employees, particularly those involved in the supply chain management, receive training on identifying and mitigating the risks of slavery and human trafficking. As part of our onboarding week, all new employees receive relevant information and training on the matters outlined in this statement. We also raise awareness among our suppliers and business partners about our commitment to these principles.

8. Reporting Mechanisms

We maintain a confidential and accessible reporting mechanism for employees, suppliers, affiliates, subsidiaries, and other stakeholders to report any concerns related to slavery and human trafficking. Reports are thoroughly investigated, and appropriate action is taken.

In our company, JSC "GRINDEKS", we prioritize transparent communication not only from our current and former employees but also from third parties who may possess information regarding potential violations related to slavery, servitude, forced or compulsory labour, human trafficking, as well as other human rights violations or legal infringements.

Our employees have the discretion to utilize the reporting system, addressing their immediate supervisor or the person immediately responsible for the matter. Additionally, they can escalate concerns to higher-level management or directly inform any Board member within our organization. Furthermore, we have implemented a whistleblowing system that ensures protection and pseudonymization of data, allowing employees or third parties to report issues anonymously.

This commitment reflects our dedication to maintaining a workplace free from any form of exploitation or violation of human rights. We remain steadfast in our commitment to combatting modern slavery and promoting ethical business practices throughout our supply chain and operations.

9. Continuous Improvement

We are dedicated to continuously improving our anti-slavery and human trafficking efforts. This includes regular reviews of our policies, procedures, and supply chain practices. Additionally, we are in the process of developing supplementary documents, such as a Code of Conduct for Partners or the like.

10. Communication

This policy is communicated to all employees, suppliers, and relevant stakeholders. We actively encourage collaboration and transparency to address modern slavery and human trafficking collectively.

11. Review

This policy is regularly reviewed to ensure its effectiveness and compliance with evolving legislation and best practices.

Chairman of the Board
Ph.D. Juris Hmelnickis

J. Hmelnickis



