



CSR report

# 2019



**ABACUS MEDICINE**

Better Access · Better Healthcare

# Corporate Social Responsibility

CSR is gradually becoming an established discipline in Abacus Medicine and results in 2019 were promising. We have adopted a de-central structure where the daily responsibility for CSR is delegated to the relevant line functions.

CSR in Abacus Medicine is rooted in the UN Global Compact and the UN Sustainable Development Goals. From 2020, we further expect to develop the reporting of our sustainability performance in accordance with the rapidly evolving ESG framework.

Our main efforts in support of the Sustainable Development Goals are organised in Focus Programs: A handful of

projects agreed each year with action plans and specific, measurable goals.

Abacus Medicine does not operate with a central CSR department, staff function or similar. Instead, we prefer a de-central structure where the daily responsibility for CSR is delegated to the relevant line functions such as Purchase, Production, Supply Chain or Sales.

Our CSR Steering Committee sets the overall direction for CSR and prioritises our Focus Programs annually, but the line functions have responsibility for defining the Focus Programs and implementing the specific change initiatives necessary to reach the stated goals.

## Among the 17 Sustainable Development Goals, we consider three as particularly relevant to Abacus Medicine:



**Goal #3:**  
**Good Health and Well-being, including:**



**Target 3.8:** "Achieve universal health coverage (UHC), including financial risk protection, access to quality essential health care services, and access to safe, effective, quality, and affordable essential medicines and vaccines for all"



**Goal #8:**  
**Decent Work and Economic Growth, including:**



**Target 8.5:** "by 2030 achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value"



**Goal #12:**  
**Responsible production and consumption, including:**



**Target 12.5:** "by 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse"



**Target 12.6:** "encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle"

# Our progress

During 2019, we worked on five Focus Programs for CSR. Results were generally satisfying..

In the beginning of 2019, we made a substantial change to our production process. Where we previously used to put new labels on the original manufacturer's boxes, we now discard these boxes and print entirely new ones. This allows us to deliver a much higher and more uniform quality but is not necessarily climate friendly. Today, we use a lot more paper and cardboard to print new boxes and we also create a lot more waste in the form of discarded boxes.

To address these issues, we defined two projects:



## PACKAGING MATERIAL - WASTE

The goal of the program was to find a more sustainable destruction method, preferably recycling, for large amounts of paper and cardboard waste.

This program has been a success.

The program has introduced several new waste management processes, including a shredder that cuts used boxes into tiny pieces. With proper sorting and shredding of the waste it is now possible to recycle the used packaging materials. Each month, we now supply more than 10 tonnes of packaging material waste to be recycled into new paper products.

### COMPLETION RATE

100%



## PACKAGING MATERIAL - SOURCING

The goal of the project was to assess the environmental impact of different packaging material solutions from relevant suppliers, and to document the environmental impact of the chosen solution.

The project was significantly delayed by events outside of its control but was re-started at the end of 2019 and is on track for completion during 2020.

### COMPLETION RATE

25%

## Paper products made from Abacus Medicine waste

Packaging materials played a prominent part in CSR this year. We phased out putting new labels on the original manufacturer's boxes from most of our production and introduced replica boxes instead. This enables us to provide products of a high and consistent quality to our customers.

But the new solution also brought us new environmental challenges. As Abacus Medicine now discards large amounts of used packaging materials, we wanted to find a more sustainable destruction method.

During 2019, we invested in a shredder that cuts used boxes into small pieces. By sorting and shredding the waste it is now possible to recycle the old

packaging materials into new paper. During the last four months of 2019, Abacus Medicine sold 37 tonnes of paper waste for recycling.

After leaving Abacus Medicine, the shredded paper goes through various phases of preparation and shaping by several companies to become ready for use in the production of new paper products such as napkins and toilet paper.

The new solution also has positive, if modest, economic benefits. By selling our waste as raw material for recycling we gain a small income and save on destruction costs for a combined total of around EUR 1,000 per month.

### FROM WASTE ...



### ... TO NEW PAPER PRODUCTS





## MEDICINE DONATION

The goal of the program was to ensure that overstock or non-saleable medicine is offered to non-profit organisations. This would have the dual benefit of making medicine available to patients in developing countries and help reduce the costs we incur when we send medicine for destruction.

The program achieved its primary goal. Over the course of the year, we successfully made two donations worth a total of approximately EUR 75,000 to organisations in Ghana.

The program did not fully manage to codify the relevant internal processes and calculate the benefits.

## COMPLETION RATE

# 75%

## Medicine donations for Ghana

During 2019, Abacus made two donations of medicine to Ghana worth a total of approximately EUR 75,000. The first donation was made in January to Wenchi Methodist Hospital and distributed to several local hospitals. The second donation was made in October to facilities within the Ghana Baptist Convention Health Service and the Christian Health Association.

All items from both donations were useful to the recipient hospitals. A majority of the medicine is not covered by the National Health Insurance System in Ghana, thus the donations are making a big difference for local patients who will receive the medicine free of charge.

Dr. Boateng Bosomtwi, Medical Director of Wenchi Methodist Hospital, expressed his appreciation after receiving the donation. He explained that the free medicine is a welcome relief as many families are unable to afford the medicine themselves.

The medicine is donated as it cannot be sold in Abacus Medicine's traditional markets due to an approaching expiry date. But it is important to emphasise that all products offered by Abacus Medicine is of sufficient quality and has a remaining expiry period of at least two to six months.



To ensure our ability to donate medicine, Abacus Medicine cooperates with the non-governmental organisation Global Medical Aid, an organisation with the purpose of supporting developing countries with medicine and functional hospital equipment.

Furthermore, our donations comply with the World Health Organisation's (WHO) "Guidelines for Medicine Donations". The compliance with these guidelines enables us to guarantee that the medicine is relevant, of sufficient quality and does not influence local markets and competition.

We are proud to provide medicine free of charge to hospitals and patients in need. Abacus Medicine plans to continue our donations of medicine to non-profit organisations in the future.



## EMPLOYEES

Our global Employee Satisfaction survey from 2018 showed a high satisfaction rate among employees overall, but also some areas with room for improvement, including "Compensation and benefits". The goal of the Employees program was to address these issues.

The program fulfilled its goals.

During 2019, a number of employment terms such as pensions, sick leave and travel compensation were updated and improved.

A further KPI was 75% employee participation in the Satisfaction and Engagement Survey 2019. This was fully achieved with responses from 87% of all employees.

### COMPLETION RATE

95%



## CLIMATE AND ENVIRONMENT

The goal of the program was to assess the electricity, gas and water consumption of our main production facility in Budapest, Hungary, and subsequently implement measures to reduce the consumption overall.

The program succeeded in establishing ongoing measurements of the electricity, gas and water consumption. It did not manage to fully implement the measures needed to reduce consumption, so this work continues in 2020.

### COMPLETION RATE

50%



## CONCLUSION

In a year that saw considerable change for Abacus Medicine, the CSR Steering Committee considers the results in CSR generally satisfying. Performance was somewhat uneven across the five Focus Programs, but the net result is multiple instances of meaningful, permanent change.

CSR is gradually becoming an established discipline in Abacus Medicine with tangible success stories to learn from across the organisation.

To build on the positive momentum, we have defined seven Focus Programs for 2020. This is our most ambitious target for CSR ever.

- Medicine donation**  
 The program for donating medicine to developing countries continues from 2019
- ESG reporting**  
 The program will seek to raise our reporting on non-financial matters to meet internationally recognised standards in accordance with the ESG framework
- Supplier Code of Conduct**  
 A 2-year program to develop, implement and rate the performance of our suppliers according to a Supplier Code of Conduct
- Employees**  
 The program will pursue initiatives to strengthen global internal communication and cooperation between departments
- Responsible production**  
 The program will seek to reduce the environmental impact of our production sites in Hungary and in the Netherlands
- Transport**  
 The program will seek ways to reduce the impact of our transport activities
- Packaging material – Sourcing**  
 The program continues from 2019 with fundamentally the same KPI's



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