POLPHARMA SUPPLIER CODE OF CONDUCT

INTRODUCTION

We are the leading Polish pharmaceutical company and part of one of the biggest pharmaceutical groups in the CEE region. Our purpose is to help people live healthy life in a healthy world.

We conduct business in compliance with the highest ethical standards, adhering to an established system of values, which is based on three principles: “Act with Ownership”, “Act as One” and “Act with Openness”. They are embodied in behaviours based on respect, integrity, responsibility, openness, respect for diversity, solidarity and collaboration.

As a company, we demonstrate awareness and responsibility in how we operate within the society and in the environment. Sustainable development principles are embedded in all areas of our operations. We also expect our stakeholders to meet social and environmental criteria.

We expect our Suppliers to follow consistent rules of conduct accepted by Polpharma, regardless of their country of origin, industry or scale of operations.

Unwavering adherence to the following of Polpharma’s high ethical and social standards is of fundamental importance in initiating and sustaining collaboration with our Suppliers:

- strict compliance with the law, including regulations on human rights,
- ensuring safety of people and information,
- fulfilling requirements and following guidelines on sustainable development and best practices for ethical conduct in business,
- maintaining top employment and human resources management standards,
- protecting the natural environment and local communities,
- continuous pursuit of excellence in service provision.

This Code of Conduct includes an overview of the key principles of conduct, both for Polpharma and all of its Suppliers. Adherence to the Code in business operations and promoting the Code’s principles and values constitutes a significant criterion for the selection and evaluation of our cooperation with our Business Partners. However, if stricter regulations have been adopted in the Supplier’s country of business with respect to the matters addressed in the Code, we expect the Supplier to follow such stricter regulations.

1. MANAGEMENT AND ETHICS

We require that our Suppliers conduct business operations in compliance with the business ethics principles we uphold, and that they manage their business in a manner that ensures compliance with the applicable laws and the expectations set forth under this Code.

We expect our Suppliers' employees to be given the opportunity to continuously enhance their knowledge of the standards of business ethics, respect for human rights and the environment, as well as the laws that govern the rules of conduct covered under this Code.

a. Acting with Integrity and Responsibility

Polpharma's Suppliers are required to apply the highest business standards, such as adherence to the rules of free and fair competition, honest communication, due diligence in acquiring, processing and storing personal data, as well as protection and non-disclosure of confidential information obtained in the course of business cooperation, respecting intellectual property, authors' economic and moral rights, industrial property rights and other laws and regulations applicable to the specific nature of their business operations.

b. Preventing all Forms of Corruption

Any corrupt practices, whether employed by our Suppliers or through third parties, are prohibited. This applies to both interactions with public officials (corruption in the public sphere), and with Suppliers (corruption in the private sphere). It is strictly prohibited to give or offer any undue advantage to any person in order to influence their actions or decisions with the intention to obtain or retain business. In particular, it is prohibited to give or offer money or its equivalents, gifts, services or other financial or personal benefits to politicians, public officials, auditors or employees of regulatory, certification or supervisory authorities, which could induce them to take or refrain from taking certain actions as part of their official duties.

Suppliers must not give or offer gifts in the form of cash or cash equivalents to Polpharma's employees. Small business gifts allowed under applicable laws and existing customs are permitted only when such gifts are intended to mark a special occasion or are of a promotional nature and provided that they do not entail the obligation to reciprocate or to act or refrain from acting in a particular manner.

c. Conflict of Interest

It is incumbent upon our Suppliers to prevent and avoid situations which may be conducive to a conflict of interest (or which may be perceived as a conflict of interest) in the process of applying for cooperation with Polpharma and subsequently in the course of such cooperation. This applies to all relationships related to the

application for cooperation or to the ongoing cooperation between representatives of the Supplier and Polpharma, who are related by blood, affinity, adoption, personal relationships, capital interest or organisational participation. In order to ensure integrity and lack of bias in mutual relationships, Polpharma's Suppliers are required to disclose any information that may be conducive to a conflict of interest.

d. Risk Management

Our Suppliers should have in place and keep continuously improving their risk management systems, including systems used for the management of risks associated with their cooperation with business partners and the supply chain, safety as well as the risk of corruption and abuse in all areas of their operations. We expect that the solutions used for this purpose comply with the provisions of this Code.

e. Data Protection Management

Suppliers should protect and use confidential information only in an appropriate manner so as to ensure the protection of privacy and confidentiality of Company data, employees, patients and all stakeholders. Suppliers will comply with effective laws and regulations governing data privacy and protection and will ensure the protection, security and lawful use of personal data. They will also proactively address information security risks, including cyber security risks.

f. Whistleblowing

Polpharma Suppliers should actively promote a culture of ethics and build trust both inside and outside their structures, also by providing their employees, representatives, partners, contracting parties and third parties with dedicated communication channels to report any irregularities. The solutions used by our Suppliers for this purpose should ensure security and confidentiality of the reported information, including personal data. Whistleblowers should be offered a confirmation of receipt of their report as well as feedback; the solutions should also enable reliable handling and examination of the reports and protect whistleblowers from all, also including indirect, retaliation.

g. Sustainable Development

Polpharma expects Suppliers to actively pursue the achievement of the principles of sustainable development defined by the international community (17 UN Sustainable Development Goals), as well as European Union regulations and directives and national laws. Polpharma Suppliers should act in a manner that considers both the goal of minimizing negative environmental impacts, e.g. by limiting the carbon footprint and reducing emissions, protecting biodiversity, preventing excessive exploitation, erosion and contamination of natural resources, as well as the objective of improving the quality of the services provided, contributing to building strong economies and pursuing the prosperity and safety of local communities.

2. EMPLOYMENT CONDITIONS AND EMPLOYEE RIGHTS

Polpharma Suppliers are required to comply with international human rights protection standards and prevent their violations across the value chain as part of their business operations.

a. Employment of Minors

All forms of employment of minors by our Suppliers are prohibited. The minimum age of all individuals employed by Polpharma Suppliers must comply with the laws in force in the Supplier's country and must not conflict with the mandatory schooling obligation. In particular, it is prohibited to employ minors to perform work which is hazardous to health and safety.

b. Freely Chosen Employment

We oppose the use of slave or forced labour and all forms of human trafficking. Our Suppliers' employees must be employed of their own will and they must be given the opportunity to terminate their employment in accordance with the applicable rules and notice periods laid down by law. Our Suppliers must not retain their employees' personal documents.

c. Equality and Non-discrimination

We expect our Suppliers to create an open and safe working environment and to treat all employees with the respect they deserve. No forms of humiliating or degrading treatment, bullying, harassment, intimidation, exclusion or violence are permitted. Equally unacceptable are any forms of discrimination at work, especially on the grounds of gender, age, origin, nationality, religion, sexual orientation, appearance, health condition, physical ability or any other aspect of employee diversity. Our Suppliers' human resources policies should reflect these principles, they should be implemented in a transparent manner and effectively communicated to employees, also as regards the availability of dedicated channels which can be used to report any violations of these rules or other irregularities.

d. Employment Relationship, Wages and Working Hours

We expect Polpharma Suppliers to recruit and employ employees based on the principles of openness, equality and transparency. Our Suppliers are required to employ employees in compliance with applicable laws. This applies to both the employment relationship and to any agreements, including collective bargaining agreements and any arrangements regarding the working hours and wages. Overtime work is voluntary and the amount of overtime hours, as well as the terms of accounting for such overtime work should be defined in internal regulations, which must be compliant with relevant provisions of labour law.

e. Special Protection

Polpharma Suppliers should ensure standards of special protection as required by relevant laws for employees with disabilities, pregnant women and parents of young children. As much as possible, Suppliers should seek to implement higher standards than those required by law, promoting the inclusion of those categories of workers in the labour market.

f. Freedom of Association

Employees of Polpharma Suppliers have the right to freely communicate with their supervisors as regards their terms of employment. Pursuant to the provisions of the law, Employees have the right to associate and engage in collective bargaining, the right to be informed and consulted, as well as the right to participate in developing and improving working conditions and the working environment. We expect our Suppliers to enable their employees to exercise these rights without fear of punishment, humiliation or any other retaliatory action.

g. Continuous Professional Development

Polpharma Suppliers should provide all of their employees with equal access to training and upskilling opportunities, also as regards long-term professional development.

h. Communication with Respect to Employee Rights and Terms of Employment

Our Suppliers' employees should be effectively informed about their rights, regulations governing work safety and ethics, rules of conduct and terms of employment, also with respect to remuneration, promotions, upskilling opportunities and the right to amend or terminate their employment.

i. Value Chain

We expect our Suppliers to actively respect international standards of human rights protection and to procure that these principles be followed by all entities across the entire value chain in the area of their operations.

3. OCCUPATIONAL HEALTH AND SAFETY

Polpharma Suppliers are required to ensure healthy and safe conditions in the workplace.

a. Working Conditions

Polpharma Suppliers are required to provide their employees and employees who complete tasks on their behalf with safe and healthy working conditions in compliance with the law and relevant industry standards. Suppliers must in particular provide their employees with access to safe and functional machines, tools and equipment necessary to complete their work, as well as personal and collective protection equipment and materials. Special attention is given to protecting employees from chemical, biological and physical hazards. Suppliers are also required to identify and monitor hazards to take effective preventive action.

b. Safety of Production Processes

Polpharma Suppliers are required to manage production process in compliance with effective legal regulations and safety standards and to conduct regular risk analyses and records their results, as well as to adopt the necessary measures to prevent hazards, especially for dangerous work.

c. Prevention through Education

We expect our Suppliers to provide their employees with regular training on safety, the possible occurrence of hazards and the preventive measures available. Employees should receive clear information about the identified hazards and be familiar with the emergency plans and procedures to follow in emergency situations. Suppliers who designate employees or subcontractors to work in Polpharma's plants are required to continuously monitor the rules and standards of procedure related to occupational safety and fire protection in place in such Polpharma plants and to communicate such information to the designated employees. Employees of Polpharma Suppliers or any individuals completing tasks for our company on their behalf are required to follow the rules and standards for occupational safety and fire protection in force in particular plants.

d. Promoting Active Participation and Health Prevention

Our Suppliers should promote the active participation of their employees in ensuring safe working conditions and health prevention, with a particular focus on counteracting harmful health factors at individual work stations.

4. PRODUCT SAFETY AND QUALITY

Polpharma Suppliers are required to meet all product safety and quality requirements, which should always be treated as their top priority.

a. Product Safety and Quality Requirements and Regulations

Product suppliers are required to comply with effective legal regulations, international standards, including Good Manufacturing Practice and Good Distribution Practice, as well as with the detailed terms of their agreements with Polpharma at every stage of the product manufacturing process, storage, transportation and sales. Any activities of Polpharma Suppliers which may have an impact on the quality and safety of our products are subject to special scrutiny and restrictions.

b. Process Improvement

We expect our Suppliers to actively explore new ways to enhance their procurement, manufacturing, storing and transport processes, so as to improve the quality of products, optimise the supply chain and exert a positive impact on the economy.

5. RESEARCH STUDIES

Polpharma Suppliers who conduct research studies on human or animal subjects are required to act responsibly and in compliance with the applicable laws, relevant ethical standards and best practices.

a. Human Studies

Polpharma Suppliers commissioned by Polpharma to conduct research studies involving human subjects are required to comply with applicable laws and universally accepted international ethics and research standards, including the Declaration of Helsinki and Good Clinical Practice.

b. Animal Studies

Polpharma Suppliers should only conduct animal studies where this is required by law or where no alternative scientifically justified and universally accepted methods exist. Our Suppliers are required to comply with legal requirements and universally accepted international standards, such as the International Guiding Principles for Biomedical Research Involving Animals developed by the Council for International Organizations of Medical Sciences, as well as to treat animals humanely and minimise their stress, fear and pain.

6. ENVIRONMENTAL AND CLIMATE IMPACT

Polpharma Suppliers should operate in a manner responsible towards the natural environment and future generations, using their best efforts to minimise the negative impact of their activity on the environment and actively attempting to solve environmental and climate challenges.

a. Informed Decisions and an Active Attitude

We expect our Suppliers to act in line with the goals and strategies which take into account the principles of sustainable development, social responsibility and top standards of ethics. Polpharma Suppliers should make every effort to accurately evaluate and monitor all areas of their impact on the natural environment, as well as to set specific goals for its reduction, including with respect to the carbon footprint, the use of high-emission technologies and products, rational use of natural resources and waste generation. They should also take environmental criteria into account in their decisions about their further development, optimisation and design of technological processes, procurement and collaboration.

b. Environmental Requirements and Regulations

Polpharma Suppliers are required to abide by the applicable laws, regulations and international covenants, as well as market standards and practices on environmental protection and preventing climate change. They should implement a rational system for the management of natural resources and hold all the required valid permits and licences for their activities, which they must be able produce for inspection at any time. They should also fulfil all administrative and registration requirements.

c. Release of Pollutants into the Environment

The methods used by Polpharma Suppliers to manage the release of pollutants into the environment (including into the air, water and soil) should enable its monitoring, minimisation and continuous improvement of the management process in this area. Suppliers should mitigate environmental impacts and risks through effective prevention and intervention.

d. Protection of Natural Resources

Our Suppliers should use natural resources in an economical manner, making every effort to preserve their suitability and biodiversity and respecting the rights and freedoms of other entities, including local communities, to use the same resources. Suppliers should minimise or seek to fully eliminate the impact of their operations on natural resources through ongoing process assessment and optimisation, as well as by utilising substances, materials, techniques and technologies with minimum negative environmental and social impacts.

e. Contingency Plans/ Business Continuity Plans

Polpharma Suppliers should have a response plan in place, which should be followed in case of emergency or crisis situations, when an event directly or indirectly linked to the Supplier's operations is identified as having an impact on the natural environment or continuity of services or supplies to Polpharma. Our Suppliers should also ensure that their employees are properly trained to follow the response plan.

7. COMPLIANCE REVIEW

Polpharma reserves the right to audit its Suppliers as regards the effective implementation and application of the provisions of the Code. Non-compliance with Polpharma's requirements set out in the Code may result in termination of the agreements signed with the Supplier

8. COMMUNICATION AND WHISTLEBLOWING

Polpharma seeks to procure that all of its Suppliers achieve compliance with this Code of Conduct. In case of questions or doubts about the requirements of the Code or if you would like to notify Polpharma of the solutions you implement, contact us at: ethics@polpharma.com.

Report any irregularities, incidents or violations of the provisions of the Code to the Compliance Officer who supervises company-wide compliance with these rules. Polpharma provides the following communication channels for reporting any information regarding possible violations of the provisions of the Code:

- through the notification form available on our website: https://polpharma.pl/en/violation-report-form/
- by email to: ethics@polpharma.com
- by calling or leaving a message with our Compliance Officer at: +48 22 364 60 29;
- by sending a letter to the following address:

Compliance Officer
Zakłady Farmaceutyczne Polpharma S.A.
Ul. Bobrowiecka 6
00-728 Warszawa
Poland

We encourage our Suppliers' employees to report the organisation's internal problems related to unethical conduct directly to their Employer first, taking advantage of the available communication channels.

REFERENCES AND RELATED DOCUMENTS:

Polpharma Code of Ethics
PL: https://polpharma.pl/o-nas/etyka-i-compliance/#!etyka-i-compliance-w-polpharmie
EN: https://polpharma.pl/en/about-us/ethics-and-compliance/

Universal Declaration of Human Rights
PL: https://www.unic.un.org.pl/dokumenty/deklaracja.php
EN: www.un.org/en/documents/udhr/

European Convention on Human rights
PL: https://www.echr.coe.int/documents/d/echr/convention_pol
EN: www.echr.coe.int/Documents/Convention_ENG.pdf

Declaration of Helsinki
PL: https://nil.org.pl/uploaded_files/art_1585807090_deklaracja-helsinska-przyjeta-na-64-zo-wma-pazdziernik-2013-pelny-tekst.pdf
EN: https://www.wma.net/policies-post/wma-declaration-of-helsinki-ethical-principles-for-medical-research-involving-human-subjects/

The UN Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework
PL: https://pihrb.org/wp-content/uploads/2021/09/Wytyczne-ONZ-UNGPs-BHR-PL_web_PIHRB-2.pdf
EN:https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf

Council for International Organizations of Medical Sciences (CIOMS)
EN: www.cioms.ch/images/stories/CIOMS/IGP2012.pdf

Good Clinical Practice
PL:https://www.gcppl.org.pl/Portals/2/advertisings/ICH_GCP_E6_R2_wersja_polska_FINAL.pdf
EN: https://database.ich.org/sites/default/files/E6_R2_Addendum.pdf

EU Taxonomy
EN: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32020R0852

Good Manufacturing Practice
EN: www.ec.europa.eu/health/documents/eudralex/vol-4/index_en.htm

Good Distribution Practice PL
PL: https://isap.sejm.gov.pl/isap.nsf/DocDetails.xsp?id=WDU20150000381

Good Distribution Practice
EN: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52013XC1123%2801%29&qid=1701957204800