

**POLICY FOR
IMPLEMENTATION OF
POLPHARMA GROUP SUPPLIER
CODE OF CONDUCT**

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In view of the global increase in the consumer social awareness, the issues of sustainable supply chain become, for many companies, one of the biggest challenges in implementing the rules of responsible business. At the same time, the results of effective implementation of the risk management system in the entire supply chain – also in the social area and in the area related to the natural environment – more and more often become a vital criterion for the clients and investors when evaluating a company.

The *Polpharma Group Supplier Code of Conduct* has been created in the course of the development of the Polpharma Group social responsibility strategy, including a sustainable approach to the supply chain.

The *Code* defines the most important requirements set for the Polpharma Group Suppliers as regards ethical and fair business, ensuring safe and healthy working conditions, respecting human rights, responsibility for the product quality and for the natural environment.

The *Polpharma Group Supplier Code of Conduct* constitutes the first step and contributes towards continuous improvement of the entire supply chain, and compliance with the Code is a significant criterion for the evaluation and selection of Suppliers.

The *Code of Conduct* is addressed to all Polpharma Group Suppliers. The Suppliers are required to comply with its rules. Acknowledging the knowledge of and compliance with the rules of the *Code of Conduct* constitutes a prerequisite for cooperation with the Polpharma Group.

The Polpharma Group expects that its Suppliers undertake relevant efforts in order to:

- communicate to their employees and suppliers all requirements under the *Code of Conduct*,
- ensure compliance with the rules of the *Code of Conduct* by all actors in the supply chain,
- verify compliance with the assumptions of the *Code of Conduct* and implement a system for their supervision,
- promote and increase the awareness of sustainable development.

The *Code of Conduct* will be implemented in the following stages:

1. Communicating the Information and Signing the Code of Conduct

Within a month of sending the aforementioned communication, all Polpharma Group Suppliers are expected to provide a declaration acknowledging that they have received and read the *Code of Conduct*. Within such time, the Suppliers should send any doubts or possible comments to the Polpharma Group to the address ethics@polpharma.com. Even if any Polpharma Group Supplier has its own code of conduct in place, it is required to sign the declaration concerning the *Polpharma Group Supplier Code of Conduct*.

2. Education

The Suppliers will be provided with training on sustainable supply chain and on the rules of the *Code of Conduct* during workshops organized by the Polpharma Group. Following the workshops, the Polpharma Group Suppliers will be provided with information and training materials.

Additionally, a Supplier knowledge website will be created by the Polpharma Group. The website will contain educational materials – including but not limited to information materials and presentations. Each Polpharma Group Supplier will have constant access to the website.

3. Self-Assessment

Suppliers will be subject to an initial self-assessment. The Suppliers will be required to complete a questionnaire enabling to evaluate the level of implementation of the rules of the *Code of Conduct*. The questionnaire results will allow to identify good practices followed by the Suppliers or any areas for improvement.

4. Improvement and verification

In order to ensure continuous improvement of its supply chain as regards ethical conduct, the Polpharma Group reserves the right to perform audits of the Suppliers. Audits will be performed in order to eliminate any possible noncompliance and to ensure continuous improvement of the Suppliers. In the case of finding any noncompliance, the Polpharma Group Suppliers will be required to undertake corrective actions within the time limit set by the Polpharma Group.

The Polpharma Group reserves the right to terminate cooperation with those Suppliers who fail to comply with the rules of the *Code of Conduct*.

The Polpharma Group is committed to achieving compliance with this *Code of Conduct* and wants the practices to be constantly improved by all Suppliers. In the case of any questions or concerns concerning the requirements of the *Code*, or if you want to inform the Polpharma Group about implemented solutions, please e-mail us at: ethics@polpharma.com.

Also all irregularities or violations of the *Code* must be reported to the Compliance Officer who is responsible for compliance with the ethical principles within the Polpharma Group. In order to report any violation of the provisions of the *Code*, send an e-mail to the address: ethics@polpharma.com.

The employees of the Polpharma Group Suppliers should first report any internal issues connected with no ethical conduct to their Employer, using the solutions available at their company.