POLPHARMA GROUP SUPPLIER CODE OF CONDUCT

INTRODUCTION

Polpharma Group is the leader in the Polish pharmaceutical market and one of the largest generic companies in the world. It has been caring for the life and health of patients in over 50 countries. It provides jobs to and enables development of over 7,000 employees. Corporate Social Responsibility constitutes important elements in the company strategy. The Polpharma Group conducts business in compliance with the highest ethical standards, adhering to its established system of values which is based on respect, honesty, responsibility, solidarity, and cooperation.

The Polpharma Group expects that its Suppliers, irrespective of their country of origin, will comply with coherent rules of conduct approved by the Group. Of fundamental importance is that the Polpharma Group Suppliers follow high ethical and social standards, comply with the laws and with the accepted standards of business responsibility specified further in this document.

This Code sums up the most important rules of conduct both in the Polpharma Group and for all its Suppliers. Conducting business activity in accordance with the Code and promoting its rules and values constitute a significant criterion for the selection and evaluation of cooperation with the Polpharma Group Suppliers.

If in a Supplier's country of business the laws or internal regulations concerning the issues covered under this Code are more restrictive, we expect that the more restrictive regulations will be followed.

1. MANAGEMENT AND ETHICS

The Polpharma Group Suppliers are required to conduct business in accordance with generally accepted ethical principles for business and to manage their business in a manner that facilitates compliance with the applicable laws and the expectations set forth under this Code.

The Polpharma Group Suppliers are required to ensure that their employees continually broaden their knowledge on ethical standards in business and the laws regulating the rules of conduct covered under this Code.

a. Integrity and Responsibility in Conduct

The Polpharma Group Suppliers are required to apply the highest business standards, such as compliance with the rules of free and fair competition, honest communication, protection and nondisclosure of confidential information obtained in the course of cooperation, respecting intellectual property, author's moral and economic rights, industrial property rights, and other rules and regulations applicable to the specific business activity.

b. Preventing all Forms of Corruption

No corrupt practices on the part of the Polpharma Group Suppliers are allowed, both in dealing with officials (corruption in the public domain) and in dealing with contractors (corruption in the private domain). Giving or offering any improper advantage to any person in order to impact their act or omission with the intent of obtaining or retaining a business relationship is strictly forbidden. This prohibition also applies to giving or offering any benefits through the intermediary of a third party.

In particular, it is forbidden to give or offer any money or its equivalent, gifts, services or other financial or personal benefits to politicians, public officials, auditors, employees of regulatory, certification or supervisory authorities, which could induce them to take or refrain from certain actions as part of their official duties.

The Suppliers are forbidden to give or offer any gifts of cash or its equivalent to the Polpharma Group employees. It is only allowed to give small business gifts permitted by the applicable laws and standard practice and only where such gifts are occasional or promotional and do not result in a commitment to reciprocity or to take or refrain from certain actions.

c. Conflict of Interests

The Polpharma Group Suppliers must prevent and avoid any situations conductive to a conflict of interest in the process of applying for cooperation with the Polpharma Group and then in the course of such cooperation. This applies to all relationships connected with applying for cooperation or with the cooperation established between the persons representing the Supplier and the Polpharma Group representatives who are related due to a kinship, affinity, adoption, personal relationship, capital or organisational participation. In order to preserve objectivity and honesty in mutual relations, the Polpharma Supplier is required to disclose information that could give rise to a conflict of interest.

d. Risk Management

The Polpharma Group Suppliers should have in place and continuously improve their risk management systems, including any risk of corruption or fraud, in all fields of business. No such solutions may conflict with the provisions of this Code. The Polpharma Group Suppliers should actively promote the culture of ethics, including creation of solutions to allow the employees and contractors to report any irregularities in a manner that protects personal data and prevents retaliation.

e. Sustainable Development[1]

The Polpharma Group expects that the Suppliers will take into account and limit any negative impact of their activities on the social and natural environment. All efforts to limit a negative impact on the environment and, in a longer perspective, to bring positive changes to the environment, are strongly advised.

2. CONDITIONS OF EMPLOYMENT AND EMPLOYEE RIGHTS

The Polpharma Group Suppliers are required to respect human rights and prevent any violation of such rights in the entire value chain in the course of their business.

a. Child Labour and Young Workers

The minimum age for employees of the Polpharma Group Suppliers must comply with the national laws and must not conflict with compulsory education. Employing minors for work that is hazardous to health and safety is forbidden.

b. Freely Chosen Employment

It is forbidden to make use of indentured or forced labour. The employees of the Polpharma Group Suppliers must be employed of their own will. They may terminate their employment subject to the notice period defined by the laws. The employer must not deposit personal documents of the employees.

c. Equality and Non-Discrimination

Discrimination at a workplace due to gender, age, ethnic origin, nationality, religion, sexual orientation, appearance, health, physical capabilities or any other aspect of diversity among the employees is forbidden. The employees must be afforded fair treatment and the employee policies must be implemented in a transparent manner with due respect to diversity.

d. Employment Relationship, Wage and Working Hours

The Polpharma Group Suppliers are required to employ their employees in accordance with the applicable laws. This rule applies both to the employment relationship and to any concluded agreements, including collective agreements, working hours,

1 Sustainable development means accepted on a worldwide basis approach to maintaining economic growth without damaging the environment or depleting the natural resources. At the same time, sustainable development contributes to improving the lives of present and future generations.

and the amount of wage. Overtime work is voluntary and its duration and manner of settlement should be defined under internal regulations in accordance with the applicable labour law.

e. Freedom of Association

The employees of the Polpharma Group Suppliers have the right to communicate freely with their supervisors as regards the working conditions, without fear of punishment, humiliation or other retaliation. Pursuant to the provisions of the law, the employees have the right to association, negotiation and the right to information and consultation, and also the right to participate in the creation and improvement of the working conditions and the working environment.

f. Continuous Professional Development

The employees of the Polpharma Group Suppliers have the right to continuously improve their competences necessary at a given job position. They also receive support in their long term professional development.

3. OCCUPATIONAL HEALTH AND SAFETY

The Polpharma Group Suppliers are required to ensure healthy and safe workplace conditions.

a. Working Conditions

The Polpharma Group Suppliers are required to ensure safe and healthy working conditions to their employees and to any employees performing work on their behalf, in accordance with the laws and the occupational standards in a particular industry. Special attention is given to the protection of the employees against chemical, biological and physical hazards. The Suppliers are required to identify and monitor any hazards in order to undertake effective prevention measures.

b. Safety of the Production Processes

The Polpharma Group Suppliers are required to manage the production processes in a manner compliant with the applicable laws and safety standards, perform risk analysis on a regular basis and record its results, and also implement any necessary hazard prevention measures, especially for hazardous work.

c. Prevention through Education

The Polpharma Group Suppliers should provide, on a regular basis, employee training as regards safety, any possible hazards that may occur, and the methods for their prevention. The employees should receive clear information on any identified hazards and be aware of the implemented contingency plans and the procedures to be followed in emergency situations.

The Suppliers who designate employees or sub-contractors to work in the plants of the Polpharma Group are required to monitor, on an ongoing basis, the rules and

standards applicable in the plants of the Polpharma Group as regards safety at work and fire protection, and to provide such information to the designated individuals. The employees of the Polpharma Group Suppliers or any individuals who perform work on their behalf for the Polpharma Group are required to comply with the rules and standards applicable in the plants as regards safety at work and fire protection.

4. PRODUCT QUALITY AND SAFETY

The Polpharma Group Suppliers are strictly required to meet all requirements as regards product quality and safety and they must regard this issue as of the highest priority.

a. Product Quality and Safety Requirements and Regulations

Product suppliers, at each stage of product manufacture, storage, shipment and sale, are required to comply with the applicable laws, international standards, including Good Manufacturing Practice, Good Distribution Practice, and in accordance with the detailed requirements set forth under the agreement with the Polpharma Group. All activities of the Polpharma Group Suppliers that may impact the Polpharma Group product quality and safety are subject to special control and restrictions.

5. RESEARCH

The Polpharma Group Suppliers conducting research on human subjects or animals must do so in a responsible manner, in accordance with the applicable laws and the relevant ethical standards.

a. Medical Human Subject Research

The Polpharma Group Suppliers who conduct research on human subjects for the Polpharma Group are required to comply with the applicable laws and accepted international ethical and scientific standards, including the Declaration of Helsinki and the Good Clinical Practice.

b. Research on Animals

The Polpharma Group Suppliers should conduct research on animals only if required by the law or if no alternative scientifically justified and accepted methods exit. The Polpharma Group Suppliers are required to comply with the laws and generally accepted international standards, including "International Guiding Principles for Biomedical Research Involving Animals" of the Council for International Organization of Medical Science, and to treat animals in a humanitarian manner, minimising their stress, fear and pain.

6. NATURAL ENVIRONMENT

The Polpharma Group Suppliers should act in a responsible manner towards the natural environment, striving to minimise any negative impact their activities may have on the environment.

a. Environmental Requirements and Regulations

The Polpharma Group Suppliers are required to comply with the laws and international agreements, as well as the standards of environmental protection. They should have a rational environmental management system in place and have all valid required authorisations and licenses for their business activities, which they must be able to present at any time. They should also comply with all registration requirements.

b. Pollution Release to the Environment

The pollution release (including air, water and ground) management methods applied by the Polpharma Group Suppliers should ensure limitation of pollution release and continuous improvement of its management. The Suppliers should limit the environmental risk through undertaking effective preventive and interventional action.

c. Preserving Natural Resources

The Polpharma Group Suppliers should use the natural resources in an economic manner, respecting the rights of other entities to use the same resources. The Suppliers should limit and eliminate the impact of their activities on the environment through continuous process optimisation and through the use of those substances, materials and techniques, and technology which have the least negative impact on the environment.

7. COMMUNICATION AND REPORTING IRREGULARITIES

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 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.

SOURCES:

Information and documents referred to in the Code of Conduct:

Polpharma Group Code of Ethics

PL: www.polpharma.pl/kodeks-etyki-grupy-polpharma/

EN: www.polpharma.pl/upload/2015/03/code-of-ethics.pdf

Universal Declaration of Human Rights

PL: www.unesco.pl/fileadmin/user_upload/pdf/Powszechna_Deklaracja_Praw_Czlowieka.pdf

EN: www.un.org/en/documents/udhr/

European Convention on Human Rights

PL: www.bip.ms.gov.pl/Data/Files/_public/bip/prawa_czlowieka/convention_pol.pdf

EN: www.echr.coe.int/Documents/Convention_ENG.pdf

Declaration of Helsinki

PL: www.nil.org.pl/__data/assets/pdf_file/0010/93097/Deklaracja-Helsinska-przyjeta-na-64-ZO-WMA_-pazdziernik-2013_pelny-tekst.pdf

EN: www.wma.net/en/30publications/10policies/b3/

Council for International Organizations of Medical Sciences, CIOMS

EN: www.cioms.ch/images/stories/CIOMS/IGP2012.pdf

Good Clinical Practice

PL: www.mz.gov.pl/__data/assets/pdf_file/0004/19489/badadaniakliniczne_20130410.pdf

EN: www.ich.org/fileadmin/Public_Web_Site/ICH_Products/Guidelines/Efficacy/E6/E6_R1_Guideline.pdf

Good Manufacturing Practice

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

Good Distribution Practice

EN: www.ec.europa.eu/health/human-use/good_distribution_practice/index_en.htm