



**SUPPLIER CODE OF CONDUCT**

Valpharma Group is a Contract Development and Manufacturing Organization with a special focus on development and manufacturing of delayed and modified oral solid forms and manufacturing of nutraceuticals.

Valpharma operates in full compliance with the applicable laws and regulations of the countries in which it operates. Valpharma recognizes that its suppliers are an essential part of the company success and considers the collaboration on sustainability topics in the supply chain as key to conducting business.

Valpharma Code of Conduct is based on:

- ▶ UN guiding principles on Business and Human Rights.
- ▶ The International Bill of Human rights.
- ▶ The International Labor Organization's (ILO) Declaration on Fundamental Principles at work.
- ▶ The UN Convention against Corruption.
- ▶ The UN framework Convention on Climate change.

Valpharma Supplier Code of Conduct contains sustainability principles that are included in further internal Valpharma documents:

- ▶ Valpharma Group Ethical Code.
- ▶ Valpharma Environmental Policy.
- ▶ Valpharma Safety Policy.

The signature of this Supplier Code of Conduct commits the supplier to follow and comply with the requirements of this document.

Therefore, the Supplier has to build a system to manage and train people with the aim to implement this code of conduct, in addition to ensuring compliance with local and national laws and regulations.

The principle contained in this code of conduct are an important component for supplier selection, evaluation and approval. The respect of this code will determine the supplier onboarding and the creation of a commercial relationship with Valpharma.

If the supplier does not follow one or more of these principles and does not submit any CAPA plan to comply with the requirements, Valpharma maintains the right to stop the commercial relationship.

The principles outlined in this Code of Conduct may be divided into 5 different area of interest:

1. Business Ethics and Integrity.
2. Labor and Human Rights.
3. Health & Safety.
4. Environment.
5. Governance and Management systems.

## **SUPPLIER CODE OF CONDUCT PRINCIPLES**

### **1. BUSINESS ETHICS AND INTEGRITY**

▶ Bribes, corruptions, extortion, money laundering are prohibited. Suppliers shall not confer benefits, offer and pay or accept bribes or other unlawful incentives or participate in other illegal inducements in business or government relationship.

▶ Suppliers doing business with Valpharma should not provide any gift, gratuities, entertainment to a Valpharma employee, government /regulatory officer or any other business partner with the aim of influencing the business decisions.

- ▶ Suppliers should employ fair business practices, including truthful advertising and promotion, and avoiding product counterfeiting.
- ▶ Suppliers shall not be involved in any anti-competitive agreements with competitors or take part in any other anti-competitive practice.
- ▶ Supplier shall comply with all applicable import and export controls, sanctions and other applicable compliance laws. Suppliers shall provide truthful information to customs and other authorities when required.
- ▶ Suppliers shall use personal data from employees and customers in compliance with data protection requirements.
- ▶ Suppliers shall protect the confidential information of Valpharma. Suppliers requiring the exchange of confidential information with Valpharma are required to sign a confidentiality Agreement in advance.
- ▶ Suppliers should ensure the integrity of their supply chain, avoiding counterfeiting and alterations to protect patients and products.

## **2. LABOR AND HUMAN RIGHTS**

- ▶ Suppliers are not engaged in or do not support any forms of child labor in their business operations as defined in the International Labor Organization's (ILO) core labor standards. The employment of workers below the age of 18 shall only occur in non-hazardous work and when young workers are above a country's legal age for employment, or the age established for completing compulsory education.
- ▶ Suppliers are not engaged in or do not support forced, bonded, or indentured labor or other kind of forced labor. They shall give the employees the right to enter employment voluntarily and freely, without the threat of penalty and the right to freely terminate employment voluntarily by means of notice of reasonable length at any time and without any penalty.
- ▶ Suppliers shall provide a workplace without any forms of discrimination and with fair treatment for all its employees equally, regardless of any characteristics other than their ability to perform the job. Discriminations occur when decisions are made for reasons that are not related to the job or not necessary for the business and are based on irrelevant characteristics of an employee such as age, disability, ethnic origin, family status, gender, involvement in an employee representative body, national origin, physical characteristics, pregnancy, religion, skin color, sexual orientation or social origin.
- ▶ Suppliers shall pay workers in a timely manner and according to applicable wage laws. Working time for suppliers' employees should not exceed the maximum set by the applicable national laws and by ILO standards and overtime work shall be on voluntary basis. Compensation and benefits should be fair and competitive, equal for all and should aim at providing an adequate standard of living for employees and their families.
- ▶ Suppliers recognize that all employees are free to form or join a workers' organization of their own choice and does not interfere with this right. Workers shall be able to communicate openly with management regarding working conditions without threat or reprisal, intimidation, or harassment.

## **3. HEALTH AND SAFETY**

- ▶ Suppliers shall adequately protect their employees against chemical, biological and physical hazards and

physically demanding tasks in the workplace and any company provided living quarters. Suppliers shall provide safe workplaces, workstations, and work equipment with adequate maintenance and necessary technical protective measures to mitigate risks and to prevent accidents. When hazards cannot be adequately controlled by these means, the supplier shall provide employees with personal protective equipment.

▶ Suppliers shall have safety programs and management systems in place to manage and maintain all their production processes in accordance with the applicable safety standards. Programs shall be commensurate with the risks.

▶ Suppliers must comply with product safety regulations, label products properly and communicate product-handling requirements.

▶ Suppliers shall identify and assess emergency situations in the workplace and minimize their impact through prevention and by implementing emergency plans and response procedures.

▶ Safety information for any identified workplace risks shall be made available to inform and train workers to protect them from risks. This includes safety information about hazardous substances used such as chemicals and active pharmaceutical ingredients.

#### **4.ENVIRONMENT**

▶ Suppliers shall comply with all the applicable local, national, regional and international regulations relating to environmental protection within the countries where they carry out their activities. All required environmental permits, licenses, information registrations and restrictions shall be obtained and their operational and reporting requirements followed.

▶ Suppliers shall have climate change countermeasures as a core element of their business strategy. This includes that suppliers shall monitor and report their GHG emissions at least related with their operations directly (Scope 1) and indirectly (Scope 2).

▶ Suppliers shall aim to reduce their GHG emissions and should set reduction target regarding at least Scope 1 and Scope 2 emissions.

▶ Suppliers shall take measures to improve efficiency and reduce the consumption of natural resources, such as sources of energy, water, forests, soil, raw materials etc.

▶ Suppliers shall have systems in place to ensure the safe handling, disposal, movement, storage, recycling, reuse and management of waste, air emissions and wastewater discharges. Any waste, wastewater, or emissions with the potential to adversely impact human or environmental health shall be appropriately managed, controlled and treated prior to release into the environment.

▶ Suppliers shall undertake reasonable efforts to have management systems in place to continuously improve energy efficiency in their operations.

▶ Suppliers shall have systems in place to prevent, mitigate and communicate accidental spills and releases to the environment.

▶ Suppliers are expected to protect biodiversity in all their activities. Therefore, suppliers are expected to protect natural ecosystems from deforestation, forest conversion or land conversion.

## 5. GOVERNANCE AND MANAGEMENT SYSTEMS

- ▶ Suppliers shall identify and comply with all applicable international, national, and local laws and regulations, contractual agreements and internationally recognized standards and conventions. This includes but is not limited to the principles set in this Supplier Code of Conduct.
- ▶ Suppliers involved in the supply, manufacturing, packaging, re packaging, testing and storage and distribution of materials product to Valpharma or on behalf of Valpharma will ensure compliance with Good Manufacturing practices (GMP), Good distribution Practices (GDP) and Good Laboratories Practices requirements for the market in which products are manufactured, registered, and distributed.
- ▶ Suppliers shall aim to fulfill the principles declared in this Supplier Code of Conduct and shall incorporate all these aspects in their management systems.
- ▶ Suppliers shall provide a training program to achieve an appropriate level of knowledge, skills and abilities for their employees and contracted workers, with the aim of addressing the expectations of this Code of Conduct. In addition, training programs need to be repeated and updated periodically.
- ▶ Supplier are expected to have effective systems to communicate the principles of this document to workers, contractors and suppliers.
- ▶ Suppliers are expected to continually improve by setting performance objectives, executing implementation plans and taking necessary corrective and preventive actions for the principles set in this document.
- ▶ Suppliers are responsible for the development and implementation of appropriate business continuity plans for operations supporting Valpharma business.
- ▶ Valpharma has the right to monitor suppliers' compliance with this Code of Conduct. Monitoring activities may include on site audit, questionnaires, and review of documentation.
- ▶ Suppliers shall maintain documentation necessary to demonstrate compliance with this Code of Conduct, as well as applicable laws and regulations. Suppliers shall provide Valpharma access to this documentation.

If suppliers violate the principles detailed in this Code of Conduct, Valpharma has the right to ask for the implementation of corrective actions. If violations are not solved, Valpharma reserves the right to suspend the contract until such violations have been remedied.

The Valpharma Supplier Code of Conduct rev 00 was signed by Valpharma Group CEO and Valpharma COO in April 2024.



### VALPHARMA GROUP

Valpharma S.p.A. | Valpharma International S.p.A. | Erba Vita Group S.p.A.

Via Ranco 112, 47899 Serravalle (RSM)

tel. (+378) 0549 900936 – mail. [valpharma@valpharma.com](mailto:valpharma@valpharma.com)