

Dear Sirs,

FARMACEUTICI PROCEMSA S.p.A. Code of Conduct.

Introduction

Farmaceutici Procemsa is committed to supply the highest quality food supplements, cosmetics and Medical Devices all around the world. For us the quality and safety of our products is the core of our business approach, and this is followed through all our processes and it is our daily commitment in accordance with our Code of Conduct.

All suppliers of raw materials and packaging materials to Farmaceutici Procemsa are required to do so in accordance with this Code of Conduct. For these purposes “Suppliers” includes our contract manufacturers, contractors and suppliers of goods and services.

Where suppliers breach this Code of Conduct we will always try to work with them to improve business standards and employee welfare as long as there is a clear commitment from the Supplier to improve – we recognise that this process may take some time, but believes that working with suppliers to improve standards is normally better than terminating supply. However, we reserve the right to terminate our arrangement with that Supplier immediately for transgressions that we deem significant, or where there is no willingness to make the necessary changes.

The Code of Conduct is a mandatory requirement and may be subject to audit. Farmaceutici Procemsa expects its Suppliers to adopt an open attitude to monitoring activities that will be implemented and to give all cooperation to its own and any third party auditors employed.

Any supplier of goods and services to Farmaceutici Procemsa who sub-contracts manufacturing or packing operations of products destined for Farmaceutici Procemsa must declare this information. Any such sub-contractors must indicate in writing their agreement to comply with this Code of Conduct. This must be communicated in writing to Farmaceutici Procemsa. No unauthorised sub-contractors may be used by any Supplier.

The adherence to these policies is a strict requirement of Farmaceutici Procemsa – but we feel they will be a strict requirement for you as a Supplier too and not things you would compromise on either. So whilst we insist on adherence to these standards we are confident they are common standards which we all adhere to as a matter of principle and social responsibility.

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P.IVA n. IT07410740018 – Capitale Sociale: 3.838.540,50 EURO i.v.

Codice Fiscale e Registro Imprese di Torino n. 07410740018 – R.E.A. n. 890209

Supplier Code of Conduct

The core principles by which Farmaceutici Procemsa operates are:

- being responsible for our people;
- being a responsible neighbour;
- responsible stewardship of our environment

As an international business with suppliers and representatives the world over, we accept that we have a duty to trade responsibly. We therefore want to ensure that those people with whom we deal and in particular our suppliers share and adhere to our values and standards and commit to that responsibility. Accordingly, suppliers should comply with and seek to develop relationships with their own supply chains consistent with the principles set out below and should be compliant with all local laws and the following principles as a minimum.

Employment is freely chosen

There is no forced, bonded or involuntary prison labour. Workers are not required to lodge 'deposits' or their identity papers with their employer and are free to leave their employer after reasonable notice.

Freedom of association and the right to collective bargaining are respected

Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively. The employer adopts an open attitude towards the activities of trade unions and their organisational activities. Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace. Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

Working conditions are safe and hygienic

A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment. Workers shall receive regular and recorded health and safety training and such training shall be repeated for new or reassigned workers. Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided. Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers. The company observing the code shall assign responsibility for health and safety to a senior management representative.

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Child labour shall not be used

Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child. There shall be no further recruitment of child labour. Children and young persons under 18 shall not be employed at night or in hazardous conditions. Policies and procedures shall conform to the provisions of the relevant International Labour Organization (ILO) standards. A *child* is defined as any person less than 15 years of age, unless local minimum age law stipulates a higher age for work or mandatory schooling, in which case the higher age would apply. If, however, local minimum age law is set at 14 years of age in accordance with developing country exceptions under ILO Convention 138, the lower age will apply. A *young person* or *young worker* is defined as any worker over the age of a child as defined above and under the age of 18.

Land Acquisition

We adhere to the principle of free, prior and informed consent of all communities when acquiring land. The rights of communities and traditional peoples to maintain access to land and natural resources will be recognised and respected.

Living wages are paid

Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income. All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid. Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

Working hours are not excessive

Working hours comply with national laws and benchmark industry standards, whichever affords greater protection. In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every seven-day period on average. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate.

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No discrimination is practised

There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

Regular employment is provided

To every extent possible work performed must be on the basis of a recognised employment relationship established through national law and practice.

Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, subcontracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

No harsh or inhumane treatment is allowed

Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

Confidentiality

The confidentiality of information exchanged in the course of business must be respected and never be used for illegal purposes or for individual gain. False information must not be given in the course of commercial negotiations.

No bribery or corruption will be tolerated

The offering, paying, soliciting or accepting of bribes or kickbacks, including facilitation payments, is strictly prohibited. A bribe may involve giving or offering any form of gift, consideration, reward or advantage to someone in business or government in order to obtain or retain a commercial advantage or to induce or reward the recipient for acting improperly or where it would be improper for the recipient to accept the benefit. Bribery can also take place where the offer or giving of a bribe is made by or through a third party, e.g. an agent, representative or intermediary. Some examples of bribes are as follows. This is not an exhaustive list:

- lavish gifts, meals, entertainment or travel expenses, particularly where they are disproportionate, frequent or provided in the context of ongoing business negotiations
- the uncompensated use of company services, facilities or property

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- cash payments
- loans, loan guarantees or other credit
- the provision of a benefit, such as an educational scholarship or healthcare, to a member of the family of a potential customer, public or government official;
- providing a subcontract to a person connected to someone involved in awarding the main contract; and engaging a local company owned by a member of the family of a potential customer, public or government official.

Facilitation payments are small payments or fees requested by government officials to speed up or facilitate the performance of routine government action (such as the provision of a visa or customs clearance). Such payments are strictly prohibited.

Suppliers and their employees must comply with all applicable anti-bribery and corruption laws.

Suppliers shall have in place anti-corruption and bribery procedures designed to prevent employees or persons associated with its business from committing offences of bribery or corruption. Suppliers and representatives will properly implement these procedures into their business and review them regularly to ensure that they are operating effectively.

Environmental management

We support and encourage operating practices, farming practices and agricultural production systems that are sustainable. The suppliers will continually strive towards improving efficiency and sustainability of their operations which will include water conservation programmes. The following aspects of environmental management will be included in the supplier assessment:

- there should be a company environment representative
- the company should be aware of and able to demonstrate compliance with all current legislation that may affect its activities
- the company should conduct an environmental review and consider all aspects of its products and services; and any enforcement, improvement or prohibition notices served on the site within the last three years

Quality

Any goods supplied shall be without fault and of the best available design, quality, material and workmanship, be fit for any purpose held out by the supplier and representatives or made known to the supplier and representatives or for which they are commonly used and shall conform in all respects with any order and specification and/or patterns or samples supplied or advised by the supplier and representatives.

Any services supplied shall be provided by appropriately qualified and trained personnel, with due care and diligence, to such high standard of quality as is reasonable for us to expect in all circumstances and shall conform in all respects with any order.

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Audit and termination of agreements

Farmaceutici Procemsa reserves the rights to verify and audit the Supplier's compliance with the Code. Where a Supplier and representative reviews or audits demonstrate shortcomings in any of these areas, the supplier should strive to implement a time-bound programme of improvement (remediation) leading to conformance. In the event that we become aware of any actions or conditions not in compliance with the Code, we reserve the right to request corrective actions. Farmaceutici Procemsa reserves the right to terminate an agreement with any supplier and representatives that does not comply with the Code.

ESG

Suppliers are asked to develop an Environmental Sustainability Governance System in accordance with the 17 principles of the UNGC and based on international recognized standards, promoting a sustainable development with the highest respect of the environment and of the human rights and demonstrating a social responsibility identified in the ability to link the Company's activities with the protection of the interests of all the people with whom it relates, respecting the values of all living and non-living beings.

DOCUMENT SIGN OFF

Signature.....
(authorised signature)

Name and date.....
(printed)

For and Behalf of
(supplier name)

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