

A close-up photograph of two hands shaking, symbolizing agreement or partnership. The hands are positioned in the center of the frame, with one hand slightly above the other. The background is a soft, out-of-focus teal color.

CODE OF ETHICS

Biofarma Group

Revised July 26, 2023

Index

1. Premises	4
2. Objective	4
3. Structure of the Code of Ethics and Scope	5
4. General ethical principles	5
4.1 Legality	5
4.2 Fairness	6
4.3 Confidentiality	6
4.4 Respect for the person	6
4.5 Respect of human rights	7
5. The declination of Ethical Principles towards corporate stakeholders	7
5.1 Member relations	7
5.2 Transparency of company accounting and tax compliance	7
5.3 Selection and Recruitment of personnel	8
5.4 Conflict of interest	8
5.5 Formalisation of the employment relationship	8
5.6 Safety, safeguards, health and working conditions	9
5.7 Environmental protection	10
5.8 Criteria of conduct towards the environment	10
5.9 Use of IT systems and company assets	11
5.10 Professional growth and incentives	11
5.11 Freedom of association	12
6. The declination of Ethical Principles towards third parties	12
6.1 Criteria of conduct towards customers	12
6.2 Criteria of conduct towards suppliers	12
6.3 Criteria of conduct in the conferral of professional assignments	13
6.4 Criteria of conduct towards the Public Administration and Public Institutions	13
6.5 Criteria of conduct towards Intermediaries and behavior of the latter	14

6.6 Criteria of conduct towards political parties and trade unions	15
6.7 Criteria of conduct towards public supervisory authorities and supervisory bodies	15
6.8 Protection of intellectual and industrial property	16
6.9 Food hygiene and labeling	16
7. Respect for Ethical Principles	16
7.1 Corporate Bodies and members of the Supervisory Body	16
7.2 Employees	17
7.3 Third parties	17
8. Procedure and disciplinary sanctions	17
9. Reports	18

1. Premises

The companies of the Biofarma Group (from now on "the Company"), in the context of their activities and the conduct of their business, take as inspiring principles compliance with the law and regulations of the countries in which it operates within a framework of legality, correctness, transparency, confidentiality and respect for personal dignity.

The Company also aims to reconcile the search for competitiveness in the market concerning professional fairness and to promote, with a view to social responsibility and environmental protection, the correct and responsible use of resources.

The objectives of growth in production and market share, as well as strengthening the ability to create value, are pursued by ensuring adequate decision-making and operational security structures and processes preparatory to the development of new business, the efficiency of the mechanisms for selecting and managing the industry, the quality of risk management and measurement systems.

The ethical principles contained in this Group Code of Ethics must be respected by the Recipients compulsorily and are relevant to prevent crimes according to Legislative Decree 231/2001 and constitute an essential element of the preventive control system.

The Board approved this Code of Ethics of Directors resolution of 26 July 2023.

2. Objective

This Code of Ethics aims to define and formalize the ethical values which the Group and the Company recognize so that these values constitute the essential elements of the corporate culture, as well as the standard of conduct of anyone who works in the interest or for the benefit of the Company itself in the conduct of activities and social affairs.

The Code of Ethics and the Principles set out therein indicate to anyone who acts in the interest or for the benefit of the Company the conduct to be followed and those inhibited; in this sense, the Code of Ethics and the Principles established by it also have the value of reference and closure standards, where an activity, an act or an operation is not governed by procedures, work instructions or other preventive protocols, the Recipients must behave by the four Principles.

3. Structure of the Code of Ethics and Scope

The Code of Ethics (from now on, the "Code") consists of the following parts:

- Ethical Principles;
- the declination of Ethical Principles toward corporate stakeholders;
- the declination of Ethical Principles towards third parties;
- compliance with Ethical Principles.

This Code contains all the Company's rights, duties, and responsibilities toward "stakeholders" (employees, suppliers, customers, partners, Public Administration, shareholders, etc.).

Compliance with the Code of Ethics is required as "Recipients":

- The Corporate Bodies that must conform all decisions and actions to comply with the Code, disseminate knowledge of it, and encourage its sharing by personnel and third parties operating in the interest or for the benefit of the Company; moreover, they must constitute, through their behavior, a reference model for all Recipients;
- Employees who are required to act in compliance with the Code and to report any infringements to the Supervisory Body;
- Suppliers of goods and services must be appropriately informed of the rules of conduct in the Code and standardize their behavior for the entire duration of the contractual relationship with the Company.

The subjects required to comply with the Code are called "Recipients" (corporate bodies, employees, suppliers). Accordingly, all the provisions of this Code of Ethics to which the Company commits must be understood and interpreted as the obligations imposed on the Recipients who implement the company policies according to their respective roles and responsibility.

4. General ethical principles

4.1 Legality

The Recipients must comply with the laws and, in general, with the regulations in force in the countries in which they operate. In addition, the Recipients are also required to comply with company regulations as an implementation of regulatory obligations.

The Recipients must be aware of the laws and the consequent behavior; if there are any doubts about how to proceed, the recipient must contact the Company's Supervisory Body which will provide adequate information. The Company ensures training programs and continuous awareness-raising actions on issues related to legality and the Code of Ethics. To ensure compliance with this standard, the Company has adapted its organization, management, and control model to the parameters and requirements in articles 6 and 7 of Legislative Decree 231/2001.

4.2 Fairness

The Recipients are required to comply with the deontological, expert, and professional rules applicable to the activities carried out in the interest of or for the benefit of the Company. The Recipients are also required to comply with company regulations to implement deontological, expert, or professional obligations and to formalize the expected conduct by the Company.

To ensure compliance with this standard, the Company has adapted its organization, management, and control model to the parameters and requirements set out in articles 6 and 7 of Legislative Decree 231/2001, has adopted quality and safety management systems in compliance with the standards and has adopted this Code of Ethics.

4.3 Confidentiality

The Recipients ensure the confidentiality of information known during the activities carried out in the interest of or for the benefit of the Company. The Recipients are required to process company data and information exclusively within the scope and for their work and professional activities, to protect data and information in compliance with the law and company regulations, and not to disclose (communicate, disseminate, or publish in any way) communication without the written consent of the Company.

4.4 Respect for the person

The Recipients ensure respect for the person, recognizing the value of life, health, and human dignity.

The Recipients treat every person equally, avoiding discrimination, bullying, and verbal and/or physical harassment, mainly because of religion, sex, age, sexual preference, or racial or ethnic origin.

The Company also protects the moral integrity of its employees and collaborators, guaranteeing the right to working conditions that respect the person's dignity.

4.5 Respect of human rights

Recipients ensure respect for human rights, inspired by the principles of the United Nations Universal Declaration, the Conventions of the International Labour Organisation, the OECD Guidelines, the Charter of Fundamental Rights of the European Union and other relevant legislation.

In the declination of ethical principles towards corporate stakeholders and third parties, with regard to human rights, the Company adopts appropriate processes to avoid violations, promoting a culture inspired by integrity both inside and outside the company, also committing itself to constantly improving its business and compliance systems.

In order to strengthen the protection of human rights, the Company promotes the dissemination of its policy of values among its employees and towards its stakeholders, also by proposing multilateral initiatives in order to create synergies between third sector associations, companies and institutions.

5. The declination of the Ethical Principles towards corporate stakeholders

5.1 Member Relations

The Company promotes transparency and periodic information to shareholders in compliance with the laws and regulations in force.

The interests of all members are promoted and protected by rejecting any particular or partisan claim.

The Company promotes correct and constant information to shareholders regarding any action or choice that may have effects or consequences concerning their investments.

The Company promotes conscious and informed participation of shareholders in corporate decisions.

The Company encourages:

- the regular participation of the Directors at shareholders' meetings;
- the routine functioning of the sessions in compliance with the right of each Member to obtain clarifications, express his opinion, and formulate proposals.

The Company promotes the utmost confidentiality of information relating to extraordinary transactions.

The Recipients involved must keep this information confidential and not abuse it.

5.2 Transparency of company accounting and tax compliance

The Company promotes maximum transparency, reliability, and integrity of information relating to company accounting and tax and tax obligations.

Every transaction and action must be recorded appropriately, authorized, verifiable, legitimate, consistent, and appropriate.

All shares and operations of the Company must be recorded appropriately, and verification of the decision-making, authorization, and execution process must be possible.

For each operation, there must be adequate documentary support to proceed, at any time, to carry out checks that certify the characteristics and motivations of the process and identify who authorized, carried out, registered, and verified the operation itself.

The Recipients comply with tax and tax regulations. However, in case of interpretative doubts before carrying out a transaction or registering it as accounting, the professional opinions of specialists must be obtained.

The principles of truth must inspire active and passive invoicing, and subjectively or objectively false invoices, even partially, are not admissible.

Tax returns for direct or indirect taxes must be truthful.

Recipients who become aware of omissions, falsifications, or negligence must report the facts to the Supervisory Body.

5.3 Selection and Recruitment of personnel

The Company promotes and values respect for equality and equal opportunities in selecting and recruiting personnel, rejecting any form of favoritism.

The Company repudiates illegal child labor while at the same time encouraging lawful initiatives in collaboration with schools and education and training plans for young people. Furthermore, the recruitment and employment of workers who do not comply with the age limits established by law are prohibited.

5.4 Conflict of interest

Recipients are asked to avoid any situation that may imply, even apparently, a conflict between their interests and those of the Company.

In dealing with customers, suppliers, and competitors (actual or potential), each recipient of this Code will act in the Company's best interests excluding his advantage.

5.5 Formalization of the employment relationship

Labour relations are formalised with regular contracts, refusing any form of work that is irregular and/or degrading to human dignity, also with reference to the permanence of foreign nationals on state territory.

The Recipients favor maximum collaboration and transparency towards the new employee so that the latter knows about his assigned task.

5.6 Safety, safeguards, health and working conditions

The Company promotes working conditions that protect the psycho-physical integrity of people, providing workplaces that comply with current health and safety regulations.

The Company explains and makes known, through the document of the Safety Policy, the fundamental principles and criteria based on which decisions are taken, of all kinds and at all levels, regarding health and safety at work.

These principles and criteria can be identified as follows:

- a) eliminate risks and, where this is not possible, minimize them about the knowledge acquired from technological progress;
- b) assess all risks that cannot be eliminated;
- c) reduce risks at source;
- d) adapting work to man, in particular as regards the design of workstations and the choice of work equipment and working and production methods, in particular, to alleviating monotonous work and repetitive work and reduce the effects of such work on health;
- e) take account of the state of technical development;
- f) replace what is dangerous with what is not tricky or less dangerous;
- g) plan prevention, aiming at a coherent whole, integrating technique, work organization, working conditions, social relations, and the influence of factors in the working environment;
- h) give priority to collective protection measures over individual protective measures;
- i) give appropriate instructions to the workers.

The Company uses these principles - and by those who manage hygiene and safety in the workplace - to take the necessary measures for the protection of the safety and health of workers, including the prevention of occupational risks, information, and training, as well as the preparation of an organization and the necessary means.

All Recipients must abide by these principles, mainly when decisions or choices are to be made and, subsequently, when they must be implemented.

5.7 Environmental protection

The Company recognizes environmental protection as a primary value in operation, starting from managing daily activities to strategic choices. Investment and business choices are informed by respect for the environment, the legislation to protect it, and the implementation of preventive measures to avoid or minimize environmental impact.

The Company also undertakes to:

- a) take appropriate measures to limit and - if possible - cancel the negative impact of economic activity on the environment not only when the risk of harmful or dangerous events is demonstrated (principle of preventive action) but also when it is not sure whether and to what extent the business activity exposes the environment to risks (precautionary principle);
- b) give priority to taking measures to prevent damage to the environment rather than waiting for the time to repair the damage that has already been done;
- c) plan accurate and constant monitoring of scientific progress and regulatory developments in environmental matters;
- d) promote the values of training and sharing the principles of the Code among all those operating in the Company, top management, or subordinates so that they comply with established ethical regulations, particularly when decisions must be taken and, subsequently, when they must be implemented.

The Recipients are asked to actively collaborate for environmental management and continuous improvement of environmental protection, in line with the Company's policy.

5.8 Criteria of conduct towards the environment

The environment is a primary asset that the Company undertakes to safeguard and, to this end, plans its activities seeking a balance between economic initiatives and environmental needs.

The Company's production activities are managed in compliance with current environmental legislation.

In promoting, planning or loading, and accepting orders from customers, the Company ensures that all necessary investigations are carried out, among other things, to verify the possible environmental risks deriving from the processing and disposal of waste emanating from preventing damage to the surrounding environment.

The Company is also committed to managing its core business, guaranteeing maximum transparency of its work towards all stakeholders, and ensuring that each component contributes through its behavior to pursue these objectives.

5.9 Use of IT systems and company assets

The Company has an "Internal Regulations of IT Services" concerning the measures necessary to preserve data, information security, and credentials held by the various functions.

The use of IT tools in the exercise of the work tasks entrusted by the Company is subject to the conditions provided for by the license agreements and legal regulations in force, the principles expressed in this Code, and the Company's internal procedures.

Therefore, each recipient must use company assets exclusively for legal purposes and, in any case, related to work to protect them from damage, loss, and theft.

Business assets are tangible equipment, intellectual property, and information assets in the workplace.

The Recipients are required to preserve the integrity of the Company's assets with responsible behavior and to comply with the procedures prepared for the correct use of company assets, which must not be used for purposes other than those proper to them in the context of the Company's activity, always guaranteeing the protection of reputation and image.

To this end, each recipient is responsible for correctly using the IT resources assigned to him and any access codes to the systems themselves.

The Recipients are also responsible for managing all data acquired in their functions based on confidentiality, correctness, and non-excess of information.

The operational managers of the Company's functions collaborate with the Supervisory Body to ensure the effectiveness of security systems to protect installations and control their access.

5.10 Professional growth and incentives

The Company promotes employees' professional growth through appropriate tools and training plans that are constantly updated and comply with the evolution of technology and current labor law legislation.

Providing any employee reward systems based on realistic objectives and results, supported by appropriate controls, constitutes an excellent managerial technique for the Company, responding to the principles of consistency and congruity between productivity and legality.

In this regard, the Company rejects fraudulent conduct aimed at achieving unattainable objectives and forms of remuneration based on clearly unjustified and elusive performance targets.

Formulating realistic objectives is a healthy method to motivate staff, increase performance to optimal levels, and prevent or mitigate work-related stress.

5.11 Freedom of association

The Company supports the associative union initiatives of the staff, recognizing workers' complete trade union freedom in compliance with current laws and trade union freedoms.

6. The declination of Ethical Principles towards third parties

6.1 Criteria of conduct towards customers

The Recipients guarantee professionalism and quality of work, ensuring the confidentiality of information concerning customers.

In the execution of services, the legality of the proposed solutions must always be guaranteed.

Any form of discrimination against customers is prohibited.

The Recipients promote the continuous improvement of the quality of services offered to end customers.

6.2 Criteria of conduct towards suppliers

Suppliers' selection and selection processes are based on legality, fairness, and transparency principles.

The choice of supplier is based on objective and impartial criteria in terms of quality, innovative level, cost, and additional services for the services/products offered.

The violation of the principles of legality, correctness, and confidentiality are causes for the termination of relations with suppliers.

If the Recipients receive suppliers' proposals for benefits to facilitate their activities, they must immediately suspend the relationship and report the fact to the Supervisory Body.

6.3 Criteria of conduct in the conferral of professional assignments

The Company adopts criteria for professional designations inspired by competence, economy, transparency, and fairness principles.

All fees and/or sums for any reason paid to the assignees of professional assignments must be adequately documented and, in any case, proportionate to the activity carried out, also in consideration of market conditions.

6.4 Criteria of conduct towards Public Administration and Public Institutions

In relations with the Public Administration and Public Institutions, the Recipients promote lawful and correct relationships within the framework of maximum transparency and refuse any form of a promise or offer of payments or goods to promote or favor any interest or advantage.

Acts of corruption are considered both illicit payments/donations of benefits made directly with Italian entities or their employees and illegal payments/donations of benefits made through persons acting on behalf of these entities, both in Italy and abroad.

The Recipients are not allowed to offer money or gifts to managers, officials, or Public Administration and Public Institutions employees or their relatives, Italian and from other countries, except for gifts or utilities of fair value.

It is not allowed to offer or accept any object, service, or service of value to obtain more favorable treatment with any relationship with the Public Administration.

In countries where it is customary to offer gifts to clients or others, it is possible to do so when these gifts are appropriate and fair value but always in compliance with the law. However, this should never be interpreted as a search for favors.

In relations with the Public Administration or Public Institutions, the Company is not represented by a consultant or a "third party" when conflicts of interest may arise.

When any business negotiation, request, or relationship with the Public Administration and Public Institutions is underway, the Recipients must not seek to improperly influence the other party's decisions, including those of the officials who deal with or make decisions on behalf of the Public Administration and Public Institutions.

In addition, the following actions should not be undertaken (directly or indirectly):

- examine or propose employment and/or commercial opportunities that may benefit employees of the Public Administration in a personal capacity;
- offer or in any way provide gifts also in the form of company promotions reserved for employees only or through, for example, the payment of travel expenses;
- solicit or obtain confidential information that may compromise the integrity or reputation of either party.

In the specific case of carrying out a tender, it will be necessary to comply with the laws in force and the correct commercial practice.

If the Recipients receive requests or proposals for benefits from public officials, they must immediately suspend the relationship and report the fact to the Supervisory Body.

6.5 Criteria of conduct towards Intermediaries and behavior of the latter

The selection and selection processes of Intermediaries are based on principles of legality, fairness, and transparency.

Intermediaries receive transparent messages, communications, and contracts, which avoid formulas that are difficult to understand or encourage unfair commercial practices.

Contracts with Intermediaries must include, as far as possible, the obligation to comply with the Code and the Protocols applicable to any activities at risk of crime to which the Intermediaries themselves are responsible on behalf of the Company, as well as termination clauses and compensation for damages in case of violation of these rules of conduct.

The Intermediaries, as Recipients, comply with the Code and the Protocols applicable to them.

The violation of the principles of legality, correctness, transparency, confidentiality, and respect for the person's dignity are causes for the termination of relations with Intermediaries.

If the Recipients receive proposals for benefits from an Intermediary to promote its activity, they must immediately suspend the relationship and report the fact to the Control Body.

No form of donation or benefit, or utility in favor of the Intermediaries that may, even potentially, be understood as exceeding regular commercial or courtesy practices is allowed.

In any case, Intermediaries are prohibited from any form of donation, benefit, utility, or promise of such advantages aimed at acquiring preferential treatment in the conduct of any activity related to the Company.

In particular, Intermediaries are prohibited from any form of gift or any benefit or promise to auditors, members of representative bodies of entities, or their family members, to influence the independence of judgment or induce to ensure any advantage.

Recipients who become aware of violations, omissions, falsifications, or negligence on the part of Intermediaries, or one of their collaborators, in the context of the performance of the business relationship are required to report the facts to the Supervisory Body.

6.6 Criteria of conduct towards political parties and trade unions

The Company is entirely alien to any political party and trade union organization.

In this sense, the Company does not financially subsidize these organizational or associative forms in any way. It does not support events, demonstrations, or congresses for political or trade union propaganda purposes.

The Company condemns using its resources for financing and carrying out any activity intended to achieve terrorist objectives or subversion of the democratic order.

6.7 Criteria of conduct towards public supervisory authorities and supervisory bodies

Communications, reports, and replies to requests sent to public supervisory authorities or supervisory bodies must be prepared in compliance with the principles of completeness, integrity, objectivity, and transparency.

On the occasion of checks or inspections, the Recipients must adopt an attitude of maximum availability and collaboration, proposing to expose facts that correspond to the truth and not to conceal, by fraudulent means in whole or in part, points to be communicated to the authorities or knowingly hinder, in any form, the functions of the public supervisory authorities or control bodies.

To avoid conflict of interest and ensure maximum transparency in inspections, all Recipients ensure that they comply with the specific internal procedures that define the Company functions expressly delegated.

6.8 Protection of intellectual and industrial property

The Company fully complies with third parties' industrial and copyright rights and endeavors to disclose the use of goods or services. It incorporates these rights by including specific contractual clauses in contracts with suppliers and customers to protect them.

The Recipients refrain from any conduct that may constitute usurpation or counterfeiting of distinctive signs, patents, designs, industrial models, company secrets, creative intellectual works as well as any other industrial and intellectual property right recognized by applicable legislation, as well as from disclosing unlawfully confidential and confidential information concerning technical and technological knowledge which they may possess.

6.9 Food hygiene and labeling

The Company works to ensure that the products are of high quality, respectful of the parameters and recipes indicated by the customers and provides services with high added value that guarantees the products' safety and quality throughout the entire production chain and during packaging and shipping.

The Company ensures that every product that leaves its production lines can be consumed or used safely by the consumer as it complies with all the legislative provisions on hygiene and safety, including food. Controlling the entire process, from raw materials to the packaged and shipped product, allows us to honor the commitment made to consumers and customers.

The Company complies with HACCP (Hazard Analysis and Critical Control Point) regulations, applying company procedures that implement methodologies that guarantee, for all stages of processing up to the sale, the genuineness of its products from a chemical and microbiological point of view.

7. Respect for Ethical Principles

7.1 Corporate Bodies and members of the Supervisory Body

Compliance with the Code of Ethics by the corporate bodies and the Supervisory Body integrates and explains the duties of diligence in the execution of the assignment assumed.

The violation of the rules of the Code of Ethics and the Protocols of the Organization, Management, and Control Model referred to in Legislative Decree 231/2001, therefore, constitutes a breach of the obligations deriving from the organic representational relationship, with the consequent application of the sanctions provided for by law.

7.2 Employees

Compliance with the Code of Ethics by employees integrates and clarifies the obligations of loyalty, loyalty, and correctness, and confidence in the execution of the employment contract in good faith and is claimed by the Company also according to and for the purposes referred to in Article 2104 of the Civil Code.

In case of violation of the rules of the Code and the Operating Protocols of the Organization, Management, and Control Model referred to in Legislative Decree 231/2001, the penalties provided for by the CCNL apply.

7.3 Third Parties

Compliance with the Code of Ethics and the Protocols of the Organization, Management, and Control Model referred to in Legislative Decree 231/2001 by suppliers integrates the obligations to fulfill the duties of diligence and good faith in negotiations and execution of existing contracts with the Company.

The violation of the rules of the Code of Ethics and the Protocols referred to in the contract may constitute, according to the just gravity, cause of revocation or termination of contracts with all legal consequences, including compensation for damages.

8. Procedure and disciplinary sanctions

The violation of the rules of the Code, being understood as such the proposition of actions or behaviors that do not comply with the provisions of the Code or the omission of actions or behaviors prescribed therein, may constitute a breach of the obligations of the employment relationship, with all consequences provided for by current regulations and collective agreements, if any, also concerning the preservation of the employment relationship and may involve, also, compensation for damages arising from the Company.

The types of sanctions are provided for by regulations or collective bargaining in force. They are proportionate to the gravity of the violation and never such as to harm the dignity of the human person.

The competent company function shall impose the sanction.

As for non-compliance with this Code of Ethics provision by consultants, agents, managers, partners, collaborators in general, and suppliers of goods or services, the related sanctioning clauses are contained in the respective contractual agreements that determine the conditions of the relationship.

9. Reports

The Management Body shall establish appropriate channels of communication through which reports of possible violations of the Code of Ethics can be transmitted and managed in accordance with Legislative Decree 24/2023 on whistleblowing, which guarantees the confidentiality of the identity of the Persons involved in the report, as well as the content of the report and the relevant documentation.

Recipients may report at any time, also anonymously, any violation, or suspected violation, of the Code of Ethics to the Internal Committee set up by the Company for the management of whistleblowing through:

- the digital platform set up by the Company, which can be reached at <https://areariservata.mygovernance.it/#!/WB/biofarma>;
- the PEC mailbox at ODV231@pec.biofarmagroup.it;
- a request for a direct meeting with the Internal Committee, which will be set within a reasonable period of time.



www.biofarmagroup.it