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# Fagron Business Partner Code of Conduct

2021

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## About Fagron

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Fagron is a global leading player in pharmaceutical compounding and supplies personalized medicine to hospitals, pharmacies, clinics, and patients in over 60 countries in EMEA, North America and Latin America.

### Purpose

Fagron's purpose is: "Together we create the future of personalizing medicine". Together with prescribers and pharmacists, Fagron strives to improve personalized medication and make it (more) accessible to patients. This way, Fagron has a significant impact on people's health and well-being.

### Our areas of work

Fagron is a vertically integrated player that is active throughout the value chain of pharmaceutical compounding. The company delivers, among other things, Essentials, Brands, Compounding Services, and Premium Pharmaceuticals to its customers.

### Our strategy

Fagron focuses on innovative and high-quality products and concepts in the market for personalizing medicine and wants to strengthen its leading position in this market by realizing sustainable and profitable growth. Innovation is an important driver for growth. An important link in the marketing process involves ensuring that prescribers and pharmacists become familiar with the innovations of Fagron through training and education.

## Our commitment

### Our commitment

As a global company with the ambition to create the future of personalizing medicine, Fagron aims to produce all products ethically and responsibly.

We strive to protect our stakeholders by lowering our environmental impact, providing benefits to our people, taking responsibility in our supply chain, and giving back to the communities in which we operate.

### ESG strategy

We see our Environmental, Social, and Governance strategy as a living document because Fagron, our stakeholders, and the world are continuously changing.

Fagron conducts an annual materiality assessment to determine the environmental, social, and governance topics to include in our ESG strategy.

We divide the ESG topics into five categories:

- Low impact on the Environment
- Benefits to Our People
- Responsibility in our Supply Chain
- Giving Back
- Good Governance

# Our ESG Categories



**Low impact on the Environment**



**Benefits to Our People**



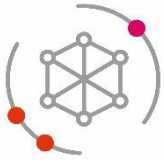
**Responsibility in Supply Chain**



**Giving back**



**Good Governance**



# Fagron Business Partner Code of Conduct

Business partners shall be committed to uphold the human and employment rights of workers and to treat them with dignity and respect.

## Human Rights and Labour Standards

### Freely chosen employment

Fagron has a zero-tolerance approach to modern slavery and human trafficking. Business partners shall not use forced, bonded, or indentured labor or involuntary prison labor. No worker shall pay for a job or be denied freedom of movement.

### Child labor and young workers

Business partners shall not use child labor. The employment of young workers below the age of 18 shall only be allowed in non-hazardous work and when the young workers are above a country's legal age for employment, or the age established for completing compulsory education.

### Non-discrimination

Business partners shall provide a workplace free from discrimination. There shall be no discrimination for reasons such as age, race, color, ethnicity, religion, sexual orientation, gender identity, marital status, disability, political affiliation, union membership, or any other characteristics protected by applicable laws.

### Fair treatment

Business partners shall provide a workplace free of harassment, harsh and inhumane treatment, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers, and no threat of any such treatment.

### Wages, benefits and working hours

Business partners shall pay workers according to applicable wage laws, including minimum wages, overtime hours, and mandated benefits. Business partners shall communicate timely with the worker the basis on which they are being compensated. Business partners are also expected to communicate with the worker whether overtime is required and the wages to be paid for such overtime. Overtime shall be consistent with applicable national and international standards.

### Freedom of association

Open communication and direct engagement with workers to resolve workplace and compensation issues are encouraged. Business partners shall respect the rights of workers, as defined in local laws, to associate freely, join or not join labor unions, seek representation, and join workers' councils. Workers shall be able to communicate openly with management regarding working conditions without threat of reprisal, intimidation, or harassment.

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Business partners shall provide a safe and healthy working environment, including - where applicable - for any company-provided living quarters. Health and Safety measures shall extend to contractors and subcontractors on supplier sites.

## **Health & Safety**

### **Worker protection**

Business partners shall protect workers from overexposure to chemical, biological, physical hazards, and physically demanding tasks in the workplace and any company-provided living quarters.

### **Process safety**

Business partners shall have management processes in place to identify the risks from chemical and biological processes and to prevent or respond to the catastrophic release of chemical or biological agents.

### **Emergency preparedness and response**

Business partners shall identify and assess emergencies in the workplace and any company-provided living quarters, and to minimize their impact by implementing emergency plans and response procedures.

### **Hazard information**

Safety information relating to hazardous materials - including pharmaceutical compounds and pharmaceutical intermediate materials - shall be available to educate, train, and protect workers from hazards.

### **Housing standards**

Business partners that provide housing or living accommodations for workers will ensure that local (in-country) housing and safety standards are met. Business partners shall ensure appropriate housekeeping and provide workers with access to potable water.

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Business partners shall operate in an environmentally responsible and efficient manner to minimize adverse impacts on the environment. Business partners are encouraged to conserve natural resources, to avoid the use of hazardous materials where possible, and to engage in activities that reuse and recycle.

## **Environment**

### **Environmental authorizations and reporting**

Business partners shall comply with all applicable environmental regulations. All required environmental permits, licenses, information registrations, and restrictions shall be obtained, and their operational and reporting requirements followed.

### **Waste and emissions**

Business partners shall have systems in place to ensure the safe handling, movement, storage, disposal, recycling, reuse, or 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 before released into the environment. This includes managing releases of active pharmaceuticals into the environment.

### **Spills and releases**

Business partners shall have systems in place to prevent and mitigate accidental spills and releases into the environment.

### **Environmental sustainability**

Business partners are expected to conserve natural resources and engage in activities aimed at reducing water usage, energy consumption, and greenhouse gas emissions.

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Business partners shall conduct their business ethically and act with integrity.

## Ethics

### Anti-Bribery and Corruption

Bribery and other forms of corruption<sup>1</sup>, including extortion, fraud, embezzlement, money laundering, kickbacks, conflicts of interest, theft, misuse of company assets, and the involvement of inappropriate hospitality, gifts, or benefits are prohibited. Business partners shall not pay or accept bribes or participate in other illegal inducements in business or government relationships, or through the use of intermediaries. Business partners shall ensure they have adequate systems in place to prevent bribery and comply with applicable laws.

### Fair competition

Business partners shall conduct their business consistent with fair and vigorous competition and in compliance with all applicable anti-trust laws. Business partners shall employ fair business practices including accurate and truthful advertising.

### Animal welfare

Animals shall be treated humanely with pain and stress minimized. Animal testing should be performed after consideration to replace animals, to reduce the numbers of animals used, or to refine procedures to minimize distress. Alternatives should be used wherever these are scientifically valid and acceptable to regulators.

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<sup>1</sup> We define corruption as any unlawful or improper behavior to gain a business advantage.

<sup>2</sup> Subject refers to any person who participates as a subject in scientific and medical experimentation or product testing.

### Data Privacy and Security

Business partners shall safeguard and make only proper use of confidential information to ensure that company, worker, patient, subject<sup>2</sup> and donor<sup>3</sup> privacy rights are protected. Business partners shall comply with applicable privacy and data protection laws and ensure the protection, security, and lawful use of personal data.

### Patient Safety and Access to Information

Business partners shall ensure that adequate management systems are in place to minimize the risk of adversely impacting the rights of patients, subjects, and donors, including their health rights and to access information directly.

### Clinical trials

Business partners involved in clinical trials on behalf of Fagron will ensure compliance with all applicable regulatory requirements in the countries where clinical trials are conducted and where Fagron's products are marketed, registered and distributed. Partners must respect and adhere to relevant guidance on Good Clinical Practice (GCP) issued by national and local regulatory authorities, as well as guidance published by the International Conference on Harmonization - Good Clinical Practices (ICH-GCP), and they must follow the ethical principles that have their origin in the Declaration of Helsinki. Clinical trial business partners must provide full visibility to Fagron of any subcontracted clinical trial activities.

<sup>3</sup> Donor refers to any person who donates tissues, cells, organs, or any other body parts for research purposes.

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**Accuracy of Business Records**

All financial books and records must conform to generally accepted accounting principles. Records must be complete and accurate in all material respects. Records must be legible, transparent and reflect actual transactions and payments. Partners will not use any “off the books” or similar funds.



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Business partners shall use management systems to maintain business continuity, facilitate continual improvement, and comply with the expectations outlined in this document.

## Management Systems

### **Commitment and accountability**

Business partners shall demonstrate a commitment to the concepts described in this document by allocating appropriate resources.

### **Legal and customer requirements**

Business partners shall identify and comply with applicable laws and regulations set by e.g. governments and regulatory bodies, standards, and relevant customer requirements.

### **Risk management**

Business partners shall have mechanisms to assess and manage risks in all areas addressed by this document. This includes e.g. mechanisms to assess and manage risks in relation to incidents, spills, natural disasters and cyber-attacks.

### **Documentation**

Business partners shall maintain documentation necessary to demonstrate conformance with this document and compliance with applicable regulations.

### **Supplier selection and monitoring**

Business partners shall apply the principles outlined in this document when selecting their partners and suppliers. Partners shall have or put in place systems to monitor their supplier and subcontractor compliance. This clause also refers to subcontractors hired for transportation and storage of products.

### **Training and competency**

Business partners shall have a training program that achieves an appropriate level of knowledge, skills, and abilities in management and workers to address the expectations described in this document.

### **Continual improvement**

Business partners are expected to continually improve by setting performance objectives, executing implementation plans, and taking necessary corrective actions for deficiencies identified by internal or external assessments, inspections, and management reviews

Together  
We create the future  
of personalizing medicine

