



**PROCEDURE 1030-02**

**CODE OF ETHICS**

**OF TARCHOMIŃSKIE ZAKŁADY FARMACEUTYCZNE “POLFA” SPÓŁKA AKCYJNA**



## 1. INTRODUCTION

Ethical business principles are of key importance to Tarchomińskie Zakłady Farmaceutyczne "Polfa" S.A. (TZF Polfa S.A., Company). We believe that the organization should generate benefits not only to itself but also to the community around.

In our business we comply with key ethical principles – we respect diversity, care about our employees, respect one another and abide by the law. Only this allows us to achieve stable development. We expect the same from everybody who together with us constitutes TZF Polfa S.A. – from the Management Board through the employees to the contractors. We are proud because together we are able to contribute to the unity of our organization.

**We Care About Health.** Our products arise from a sense of mission to care about health. Health and life are values of the highest importance which TZF Polfa S.A. strives to protect in the course of its business.

**We Love Life.** We face civilization diseases and are committed not only to their treatment but also to appropriate prevention and education of physicians and patients.

**We take up challenges.** Especially those in health care, but not only. We take up challenges that today's world poses to us – in the field of drug development (construction of the Centre for Research and Development of Oncological Drugs), but also care for employees, social problems and environmental changes.

**We Treat Effectively.** The biggest motivation to our actions is therapeutic success of our products and their popularity among physicians and patients.

This Code of Ethics presents values followed by TZF Polfa S.A. in the course of its operations. Our values may evolve as we are a dynamic organization which adapts to new challenges and expectations. However, they always remain in line with the needs of our organization and with social challenges.

Yours faithfully,

President of the Management Board

Member of the Management Board



## 2. WHO IS THE ADDRESSEE OF OUR CODE?

For the Code of Ethics to fully serve its purpose, it must apply to all Employees of TZF Polfa S.A. irrespective of their function. We endeavor to ensure that also our Contractors become familiar with this Code, because we endeavor to cooperate with Contractors who share similar values.

The terms and definitions in this Code of Ethics shall have the meaning set forth in the Compliance Policy.

### (a) **Management Board**

Of key importance for the functioning of ethic principles at TZF Polfa S.A. is **a good example set by the superiors**. Therefore, we expect from the Management Board that the business decisions which impact the direction of Company's development will be taken with consideration given to the highest ethical standards. This means that aside from taking into consideration the requirements set forth by the laws, the Management Board will also take into consideration the principles under this Code of Ethics (the Code).

### (b) **Managers (persons directing organizational units of the Company)**

As persons responsible for implementation of the Management Board's plan, the managers should direct the work of their teams in line with the guidelines defined in the Code of Ethics. Good knowledge of the Code of Ethics is of key importance in their case – they are responsible for supporting their Employees should such Employees have any questions or doubts.

### (c) **Employees**

When performing their day-to-day duties, each Employee should bear in mind the importance of his/her conduct as it not only impacts to a great extent the legality of such Employee's actions and his/her safety but also the reputation and success of the entire Company.

### (d) **Contractors**

The Code of Ethics also impacts the contractors selected by us – we want to cooperate with those entities which follow values similar to the values followed by us.

## 3. HOW TO APPLY THE CODE IN PRACTICE?

The developed Code of Ethics is not merely an empty declaration – it is important to us that the principles set out therein are directly applied at the Company, therefore:

### 3.1 All Employees should:

- be familiar with the content of the Code of Ethics and comply with the principles set out therein,
- take part in training courses and workshops on the application of the Code of Ethics and other documents, including but not limited to those which constitute the Compliance System at the Company,
- draw attention each time when they notice a violation of the provisions of the Code of Ethics or other documents, including but not limited to those which constitute the Compliance System at the Company,
- ask – in case of any doubts.

### 3.2 Managers should additionally:

- be able to explain to the Employees the main assumptions of the Code of Ethics and the



principles applicable therein,

- ensure knowledge of the content of the Code of Ethics among subordinated Employees,
- respond each time when someone reports any noted Irregularities,
- provide assistance to the Employees in case of any doubts.

3.3 The Management Board should additionally:

- set an ethical tone to the operations of the entire Company;
- incorporate ethical principles when planning the business strategy for the Company.

3.4 Contractors should:

- read the Code of Ethics;
- respect the rules of the Code in the Company's cooperation.

## 4. REPORTING IRREGULARITIES

All concerns, noted irregularities or violations should be reported to:

**E-MAIL ADDRESS OR:**

CO@TZF.PL

**HOTLINE PHONE NUMBER:**

512 000 737

Additionally, Employees may submit irregularities through the channels indicated in the Procedure for reporting irregularities at Tarchomińskich Zakładach Farmaceutycznych "Polfa" S.A. (Procedure 1030-11).

## 5. OUR VALUES

### 5.1 For the Patients

Our Company's mission is to care about the patients. Their health and well-being are the measure of success to us.

#### 5.1.1 The Highest Quality and Safety

At all stages of manufacturing we control the quality of products we manufacture. We comply with all requirements and standards. Only this way we are able to efficiently care about health and life of patients.

#### 5.1.2 Efficacy

The products we provide undergo numerous tests and are aimed at helping patients. We manufacture them in order for them to efficiently and positively impact the well-being and health of patients.

The efficacy of our products is their most important advantage – we do not want to unnecessarily extend the duration of treatment. Prompt and lasting effect that will be appreciated by the patients is of utmost importance to us.

### 5.2 For Our Employees

Our Employees are the key to our success, therefore it is important to build a safe and comfortable working environment.

#### 5.2.1 Human Rights

Respecting human rights is natural to us and is not limited in any way. We ensure that no person in



our Company violates the rights and freedoms of individuals. We respect the rights of our Employees to freedom of association and dignified treatment. We also do not agree to violating human rights by our Contractors.

(i) What are the rights of our Employees?

Employees have the right to:

- associate in labor unions,
- engage in political activity,
- recognition of their dignity through appropriate working conditions,
- enforce their rights in court,
- report violations of their rights via the system for reporting
- irregularities.

### **5.2.2 Occupational Health and Safety**

We put great emphasis on ensuring appropriate working conditions to our Employees.

(i) How should our Employees care about their occupational health and safety?

- they get familiar with all OSH instructions applicable at the Company and complete mandatory OHS trainings;
- they perform only those activities whose performance will not create any unnecessary risk to health;
- they react in situations which could create a risk at the workplace;
- they draw attention of other Employees who through their actions give rise to a risk of occurrence of hazardous situations.

### **5.2.3 Personal Data Protection**

At our Company, we are committed to the protection of data of our Employees, contractors and other individuals. The processing of personal data that we carry out is in compliance with the principles set forth under the Regulation (EU) 2016/679 of the European Parliament and of the Council of 26 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC General Data Protection Regulation (GDPR) that is in force from May 2018.

(i) What is the conduct of our Employees when handling data?

- they do not collect personal data of our Contractors and other individuals unless it is necessary;
- they do not use disclosed personal data for any purposes other than those arising directly from the purpose of their processing;
- they promptly inform their superior if personal data are processed other than in accordance with the applicable rules.

(ii) How do our Employees protect the data held on electronic devices?

- they ensure confidentiality of the log-in information;
- they do not expose the equipment to any unnecessary risk (e.g. risk of theft);
- they exert due care when using and transporting the equipment, in particular they do not open any data files in places where such data files could be read by an unauthorized person.



#### 5.2.4 Equality and Diversity

Sustainable development of the Company is based on diversity and equality of our Employees. We believe that each person brings new values to our Company and we are committed to nourishing it.

All people are equal at TZF Polfa S.A., irrespective of gender, race or ethnic origin, nationality, religion, belief, disability, age or sexual orientation. **Any acts of discrimination are categorically forbidden.** Each person has equal employment, development and promotion opportunities at our Company. Employees and job candidates are assessed by us solely based on their qualifications, commitment and skills.

We do not tolerate any bullying, discrimination, harassment or mobbing. Any instance of such behavior brings about disciplinary action.

(i) What behavior do we expect of our Employees?

- treating other Employees with respect;
- performing duties based on team work and open communication, allowing each person to express their opinion and propose new solutions;
- assessing subordinated Employees solely on the basis of objective criteria;
- complying with the principles set forth in the Code of Ethics.

(ii) How can the Employees ensure good atmosphere at our Company?

- avoid negative situations which could adversely impact the atmosphere at work;
- refrain from making malicious and redundant comments addressed to other Employees (also to subordinates).

#### 5.2.5 Proper Communication

Proper internal and external communication is of priority to us.

Employees should communicate in an explicit, simple and effective manner. Before disclosing any information on the activities of the Company to any third party, **irrespective of whether it is an official, journalist or employee of other entity, the Employee is required to make sure that he/she is authorized to disclose such information.** If the Employee has no such authorization, he/she should refer the third party to the Employee's superior or to other designated Employee.

### 5.3 For Us

TZF Polfa S.A. would not be able to function if it was not for ensuring transparency of our internal operations.

#### 5.3.1 Contractor Relations

When cooperating with our Contractors we are committed to transparency and the official character of our relations. We treat them in the same way as we would like to be treated by them. Our Contractors should operate in compliance with the principles set forth in the Code of Ethics.

#### 5.3.2 Company Reputation

Good reputation of the Company, earned over many years, is of great importance to us. Therefore, it is important to avoid any behavior that could compromise good name and reputation of TZF Polfa S.A., especially any actions non-compliant with the law or with the provisions of the Code of Ethics.

Ensuring the good name of the Company is our joint responsibility. What do we expect from the Employees?



(i) reporting irregularities

All noted irregularities must be reported via the system for reporting irregularities. This will allow us to prevent such occurrences in the future and to protect good name of the Company.

(ii) ensuring safety in Social Media

In the age of Internet and smartphones, we all use the social media. Our aim is by no means to limit the possibility to use them – we only wish for our Employees to be safe in the Internet and not to expose themselves or the Company to any unnecessary risks. Mitigating risks is achieved by, among others:

respecting copyright – e.g. by inserting the name of the author under any used material,  
ensuring one's own privacy – nothing vanishes from the Internet, and everything that is published there becomes public and may be used for purposes for which it should not be used,  
being aware of the responsibility – the final responsibility for any published content rests on the person disclosing it.

#### **5.3.3 Respecting Company Business Secret**

We ensure confidentiality of organizational information, know-how and other information that constitutes Company business secret.

Company business secret includes, among others, information on our ongoing projects, plans, strategies, trading conditions, terms of cooperation, Contractors and Employees.

When discussing work, especially in public spaces, the Employee is not allowed to:

- a) disclose details of any contracts,
- b) disclose the names of Company's Contractors.
- c) expose any computer equipment or other devices used to perform work duties to a risk of loss or unauthorized access.

In the case of loss of any data storage media used for work, including paper documents, external hard drives, memory sticks, the Employee is required to promptly report this fact to his/her direct superior, the Compliance Officer or IT Department.

#### **5.3.4 Fair Competition**

We are committed to operate respecting the principles of fair competition based on fair play.

We do not pursue any practices that could limit competition on the market. We select our Contractors on the basis of transparent and objectified criteria.

(i) How to protect fair competition?

- We make independent decisions – one should not come to any arrangements with the entities that constitute Company's competition on the market as regards prices and other areas of our business;
- We avoid obtaining any information that could constitute a business secret of another entity or other sensitive information unless it is provided for by the executed agreements;
- We use solely information that is in the public domain;
- We discuss the competition in a balanced and cultured manner and do not spread any false information on other entities or any information that could compromise their good name.



### 5.3.5 Compliance

The purpose of implementation of the Compliance System is to ensure the compliance of the activities undertaken at the Company with the laws and the internal regulations. Compliance System covers many issues.

#### (i) Anti-Corruption

Any activities corrupt in their nature are categorically forbidden at the Company.

Corruption means **providing, accepting, promising or demanding any financial or personal benefit in return for abuse of power, breach of duty or other use of the function or position held in violation of the law or the rules of social conduct.**

Not only offering or giving but also demanding or accepting benefits in connection with the duties performed in return for certain behavior constitutes corruption.

This applies not only to relations with persons holding public functions but also with Contractors and their employees – especially those with managerial positions.

#### (ii) Definition of benefit

An inherent element of corruption is providing or promising to provide a financial or non-material benefit to another person.

Financial benefit not always must be in the form of cash. It may also be other things, such as:

- pre-paid payment cards,
- retail vouchers,
- sponsoring,
- gifts,
- donations.

Non-material benefit means personal benefits which directly or indirectly impact the situation of the other person or the situation of such person's close relatives and partners. It may be, for instance, a promise of promotion or helping to speed up handling of any matter of importance to us.

#### (iii) Preventing corruption

In order to minimize a risk of an action to be deemed corrupt in its nature, Employees should follow the content of the Code of Ethics and the internal procedures applicable at the Company.

The Employees should consult all their concerns with the Compliance Officer.

How can corruption be avoided in the performance of day-to-day duties?

- avoid giving any benefits to anybody in return for a "favor";
- not accept any benefits in return for which a favor is expected;
- be careful in relations with third party entities, in particular persons holding public functions (e.g. officials);
- ask his/her superiors or consult the relevant internal regulations in case of any doubt as to the nature of any specific situation;
- report all corrupt behavior via system for reporting irregularities.

### 5.3.6 Conflict of Interest

A conflict of interest means a situation where the Employee's impartiality or independence in performing work duties, making decisions or performing other tasks entrusted by the Company is or



may be put at risk. The main source of risk may be a financial, economic or other personal interest that may arise in connection with the handled matter.

We try to prevent such situations and it is important that the Company's Employees promptly inform their superiors about each instance of a conflict of interest.

What should the Employee do in a situation of a conflict of interest?

- withdraw from the decision process and report the possible conflict of interest to his/her superior
  - this will have no negative impact on the situation of a given Employee;
- not use the conflict of interest to achieve private purposes.

#### **5.3.7 Handling Documents**

All documents prepared at the Company should be prepared accurately and the information contained therein should be true. Any attempts at falsification or editing them are categorically forbidden and may be the basis for imposing appropriate sanctions, including disciplinary sanctions against the Employee.

In the case of noting any attempt at such action or having any concerns as to the truthfulness of any document, this should be reported immediately via the system for reporting irregularities.

### **5.4 For Society**

In our day-to-day work we try to take up challenges that concern not only TZF Polfa S.A. but also the society in which we are functioning.

#### **5.4.1 Environmental Protection**

In our business, we are guided by care for the environment. We believe that short-term goals may not obscure the need to take care of the environment.

We strive to mitigate any negative impact of our activities and our investments on the natural environment. Having that in mind we strive to limit the use of disposable packaging, be committed to waste segregation, and save energy, obtain energy from renewable sources. When using hazardous materials or chemical substances we pay great attention to following the relevant internal procedures and manufacturers' instructions.

When taking decisions on the manner of accomplishing any project, in particular as regards selection of materials and working devices, we try to balance their cost with their impact on the environment.

#### **5.4.2 Supporting Sports, Culture and Science**

We believe that developing sports, culture and science is of key importance. Therefore, if only we get such an opportunity, we try to support local, regional and national cultural initiatives, scientific conferences and sports events.

Actions which benefit the community not only help to promote culture and universal values connected with it but are also an excellent opportunity to promote TZF Polfa S.A. Our Employees should remember, however, about complying with the internal procedures and obtaining any approvals required thereby for the actions they undertake so that our actions are not perceived, for instance, as an attempt to influence Contractors' decisions.

#### **5.4.3 Charity Activity**

We believe that it is important to share one's goods with those in greater need. Therefore, as far as possible, we get involved in charity actions within various communities and areas. The actions we undertake are gratuitous and arise from the need of the entire organization to provide aid.