



Group Code of Ethics and Conduct



Introduction

The Code of Ethics and Conduct (hereafter also referred to as the "Code") expresses the Group's commitment to operate not only in accordance with the laws and regulations currently in force but also with certain principles and rules of conduct of an ethical nature.

The application of the following principles is guaranteed by the existence of procedures within the Group aimed at ensuring that its employees, internal bodies and third parties acting on its behalf, operate effectively in accordance with ethical principles.

This version of the Code has been approved by the Board of Directors of Chiesi Farmaceutici S.p.A. (hereafter also known as "B.o.D."), on May 17th 2010. This constitutes an official Group document and as such is binding upon all the bodies, employees, consultants, collaborators, agents and, at a more general level all third parties acting on behalf of the Group (hereafter referred to as "ADDRESSEES").

1. Values

This Code expresses the principles which the Addressees must comply with when carrying out the Group mission; the following articles clarify the abovementioned principles:

- **HONESTY:** Whilst carrying out their work and professional duties, the Addressees of this Code must fully comply with the regulations in force in the Countries where they operate. Dishonest conduct cannot therefore be justified even in the pursuit of the Group's interests.
- **FAIRNESS AND TRANSPARENCY WITHIN THE MANAGEMENT SYSTEM:** The Group pursues its own mission whilst ensuring adequate transparency in executive processes and decisions made. As a result, informative activities carried out for the benefit of stakeholders (shareholders, staff, directors, suppliers, customers, the local community and institutions) are required to be truthful and transparent also to enable those concerned to make informed and conscious decisions.
- **CONFIDENTIALITY:** The Group safeguards the confidentiality of all information acquired whilst carrying out its own activities.
- **COLLABORATION:** The Group recognises the importance of collaboration among managers, employees and collaborators and of generating synergy between the various individuals involved in Group activities.
- **ENHANCING HUMAN RESOURCES:** The Group acknowledges the competence and skills of the individual members of the business as an element essential to its development and thus promotes the enhancement of human resources by means of training programmes and refresher courses.

This Code therefore forms part of a more general project aimed at creating an ethical identity for this Group, setting out the values which the Group wishes to be respected in the conduct of all of its components.

The Group thus intends to firmly re-establish the concept that **fairness** and **lawfulness** in working and business practice constitute and shall always constitute an essential **value** for this Group.

2. Ethical Principles

2.1 GENERAL ETHICAL PRINCIPLES

PRINCIPLE 1: Each Company of the Group bases its activities upon the principles stated in this Code.

PRINCIPLE 2: The Group regards as an essential principle compliance with the laws and regulations in force in all the countries where it operates.

- 1) The social bodies and employees of each company of the Group are required to comply with the laws and regulations in force in all the countries where the Group operates.
- 2) The Group likewise requires the same commitment from its consultants, temporary contract collaborators, agents, proxies and third parties acting on its behalf.

PRINCIPLE 3: The Group regards as an essential principle compliance with the ethical provisions to which the each company of the Group itself formally has adhered.

- 1) In carrying out their respective tasks, the social bodies and employees of each company of the Group are required to comply with the ethical provisions to which the Group itself has formally adhered.
- 2) The Group likewise requires the same commitment from its consultants, temporary contract collaborators, agents, proxies and third parties acting on its behalf.

PRINCIPLE 4: The social bodies and employees of each company of the Group must comply with the Group's operational policies and procedures.

PRINCIPLE 5: The social bodies and employees of each company of the Group must promote and extend the application of Group principles and sensitise third parties coming into contact with the Group as to the respect of these values.

2.2 ETHICAL PRINCIPLES AND RELATIONS WITH THE STAKEHOLDERS

Shareholders

PRINCIPLE 6: The Group regards as an essential principle the enhancement of the shareholders' financial investment so as to guarantee an adequate return on the risk which shareholders take when investing their own capital.

PRINCIPLE 7: The Group undertakes to ensure that information concerning itself is properly managed and communicated outside the Group.

Staff

PRINCIPLE 8: The Group ensures that all activities are carried out in accordance with the principles of fairness and equal treatment and condemns any form of abuse of power carried out by anyone.

PRINCIPLE 9: The Group requires all employees of each company to conform to all decisions taken.

- 1) It is the employees' duty to carry out the responsibilities they have been assigned in a proper, duly and timely way.
- 2) Employees have the right to freely object should they not agree with the instructions given to them by their superiors.
- 3) Superiors must encourage employees to take part in making Group decisions, and undertake to enhance their decisional autonomy, to this end thereby limiting subordination to the basic aspects of their role.

PRINCIPLE 10: All Group activities are based on the respect of internationally recognised human rights.

- 1) The Group undertakes to safeguard the physical and moral integrity of its employees and collaborators, guaranteeing working conditions that are respectful of human dignity.
- 2) Any attitude or conduct which may be construed as an act likely to endanger or violate the physical or moral integrity of others is forbidden.
- 3) Any conduct of an intimidatory, hostile or offensive nature is forbidden.
- 4) The Group condemns any kind of retaliation by anyone towards employees as a result of their refusal to carry out specific services of a personal or professional nature.

PRINCIPLE 11: Employees must avoid any kind of conflict of interest.

- 1) It is the duty of employees who may either directly or via a third party have private interests with suppliers, customers or competitors, to refrain from entering into any kind of negotiation on behalf of the Group with the aforementioned people, unless previously authorised to do so.

PRINCIPLE 12: Any form of disclosure of confidential or reserved information, which employees might become acquainted with during their normal working activities, is forbidden.

PRINCIPLE 13: Each company of the Group bases its recruitment procedures upon the principles of fairness and transparency and rejects any form of discriminatory behaviour.

- 1) The assessment of staff to be recruited is carried out on the basis that the candidates' profiles correspond to their specific tasks, with regard to what is expected and to the Group's needs as per the request made by the applicant function, whilst respecting the equal opportunities of all those concerned.
- 2) Information requested is strictly related to the verification of the elements required for the professional and psychometric profile, whilst respecting the candidate's private life and opinions.
- 3) Within the limits of the information available, the Human Resources Department adopts appropriate measures in order to avoid favouritism, nepotism or any form of clientelism during the selection and recruitment phases.

PRINCIPLE 14: The Group forbids any form of discrimination in the management of staff and undertakes to guarantee equal opportunities for all employees, assessing them exclusively on the basis of their personal qualifications and merit, and on their performance.

- 1) The Group undertakes to remunerate employees exclusively on the basis of criteria relating to merit and competence.
- 2) The Group forbids any kind of discriminatory behaviour in the management of staff, in particular if this is due to reasons of a political, racial or linguistic nature or related to trade union or gender.

PRINCIPLE 15: The Group promotes the development and maximum advancement of talent, aptitudes and professional competences of employees.

PRINCIPLE 16: Each company of the Group guarantees that within its own organisation the annual goals, both generally and at individual level for employees or collaborators acting on behalf of the Group, focus on potential (albeit ambitious), specific, concrete, quantifiable results relating to the timeframe in which they are expected to be reached.

PRINCIPLE 17: The Group guarantees that any personal staff data used for Group purposes will remain confidential, and in the event of its disclosure, will ensure this occurs in an appropriate and authorised manner.

Group representatives, Consultants and external Collaborators

PRINCIPLE 18: It is the duty of all those operating on behalf of the Group to bring to its attention any situation which may represent, even only theoretically, a conflict of interest.

PRINCIPLE 19: It is the duty of each Group representative and anyone acting on the Group's behalf to keep the nature of their activities confidential as well as any information they are provided with or which they become acquainted with in the course of their duties.

Members of the Boards of Directors

PRINCIPLE 20: It is the duty, as well as the right, of all Directors of each company of the Group to make their choices autonomously and independently of external influence, in pursuit of the interests of the company, the Group and the shareholders.

PRINCIPLE 21: Every Director must carefully carry out their management and control functions, in the knowledge of all the facts and with the full awareness of the duties and responsibilities that their position entails.

PRINCIPLE 22: It is the duty of every Director to bring to the Group's attention any situation which may represent, even only theoretically, a conflict of interest between the activities of an economic, personal or familial nature and the management activities of the Group.

PRINCIPLE 23: It is the duty of Directors to refrain from taking part in board meetings, in which they take part in their simultaneous capacity as partners, involving a personal interest that conflicts with that of the Group.

PRINCIPLE 24: The Directors-shareholders must exercise their right to vote in accordance with the principles of fairness and good faith.

Competitors

PRINCIPLE 25: The Group bases its conduct towards competitors upon the principles of loyalty and fairness.

PRINCIPLE 26: The Group regards as an essential principle, and demands compliance with the antitrust legislation in force in the countries where it operates.

Customers

PRINCIPLE 27: The Group's paramount objective is to maintain customer trust and loyalty by offering products and services of value in terms of price, quality, safety and environmental impact.

PRINCIPLE 28: The Group undertakes to keep private information on customers and patients secret and/or confidential, in accordance with the regulations in force, except when the disclosure of the personal data is authorised by law.

Patients

PRINCIPLE 29: The Group regards as an essential principle compliance with internationally recognised ethical regulations and provisions concerning clinical trials and research, so as to ensure the complete respect of human rights.

2.3 ETHICAL AND ENVIRONMENTAL PRINCIPLES

PRINCIPLE 30: The Group regards as an essential principle compliance with regulations concerning the environment in force in the countries where it operates.

PRINCIPLE 31: The Group must carry out its production and research activities whilst ensuring that the environment in which it operates is respected, thus also taking into account the rights of future generations.

- 1) The Group undertakes to use resources and energy sparingly, reducing the use of production factors which have a negative impact upon the environment;
- 2) The Group undertakes to constantly monitor atmospheric emissions and waste water and the levels of noise and toxic waste pollution, in order to keep them below the limits required by law.
- 3) The Group guarantees the development and application of new technology in order to safeguard and benefit the environment, and undertakes to bear in mind both the evolution of scientific research and the most successful achievements made in this field.
- 4) The Group undertakes to plan and manage research activities and clinical trials on animals balancing as far as possible economic development and environmental needs

PRINCIPLE 32: The Group undertakes to carry out its mission in a socially responsible way, promoting activities aimed at human and social development within local communities and the countries where it operates.

3. Rules of conduct

3.1 PRINCIPLES AND RULES OF CONDUCT IN RELATIONS WITH PUBLIC ADMINISTRATION BODIES

PRINCIPLE 33: The Group, its companies, bodies, employees, consultants and collaborators, agents, proxies and third parties acting on behalf of the Group in its relations with any Public Administration bodies, must comply with the principles of impartiality and efficiency to which Public Administration bodies are also bound.

PRINCIPLE 34: The Group forbids any behaviour by anyone for their own purposes, consistent with promising or offering either directly or indirectly money or other benefits to any Civil Servants and/or Civil Service representatives, which may result in an undue or unlawful interest or benefit for the Group .

- 1) The abovementioned behaviour is not permitted either where it is originated directly by the Group, its companies, bodies or its employees, or by people acting on behalf of the Group and/or its companies: consultants, temporary contract collaborators, agents, proxies and third parties.

PRINCIPLE 35: Those appointed by the Group to follow any business negotiations, requests or relations with Italian or foreign Public Administration bodies, must not for any reason attempt to unduly influence the decisions of Civil Servants or Civil Service representatives.

- 1) In the course of business negotiations, requests or commercial relations with Italian or foreign civil servants and/or civil service representatives, the following – whether directly or indirectly - must not be undertaken:
 - proposals, in any way, of employment and/or commercial opportunities which may personally benefit Civil Servants and/or Civil Service representatives;
 - offers in any form of money or other benefits;
 - soliciting or obtaining confidential information which may compromise the integrity or reputation of both parties;
 - committing any other act intended to induce foreign Civil Servants to do or omit to do anything that may violate the laws of the country to which they belong.

PRINCIPLE 36: It is forbidden to use contributions, subsidies or funding obtained from any State or any other public body or from the European Union for purposes other than those for which they were granted, even where amounts of moderate and/or little value are involved.

PRINCIPLE 37: The Group forbids any behaviour intended to obtain, from any State, the European Union or any other public body, any kind of contribution, funding, favourable mortgage or other benefit of a similar kind, by means of statements and/or modified or falsified documents, or via omitted information or, more generally, via fraudulent strategies or deception, including those created via computerised or data transmission systems, intended to deceive the service provider.

PRINCIPLE 38: The Group must not permit third parties in a position of conflict of interest to represent it in relations any Public Administration bodies.

Third parties acting on behalf of the Group must refrain from entering into relations with any Public Administration bodies, in any other situation where there are serious advantages at stake.

PRINCIPLE 39: In creating any form of relations, including consultancy, with the scientific sector and its representatives, whether national or foreign, the principles of appropriacy, fairness and pertinence must be guaranteed, as well as the provision of documentation pertaining to the relations.

3.2 ORGANISATIONAL RULES

PRINCIPLE 40: Every operation and/or transaction, intended in the broadest sense of the word, must be lawful, authorised, coherent, appropriate, documented, recorded and verifiable at any time.

- 1) The procedures which regulate the operations must allow for the possibility of checks to be made upon the characteristics of the transaction, the reasons for its execution, the authorisations to carry it out and the execution of the said operation;
- 2) Every individual who carries out operations and/or transactions involving sums of money, assets or other economically assessable benefits belonging to the Group, must be authorised to do so and provide on request all valid proof in order that verifications can be made at any time.

PRINCIPLE 41: Each Group function is responsible for the truthfulness, authenticity and original nature of documentation produced and information gathered whilst carrying out its appointed tasks.

PRINCIPLE 42: The Group forbids any form of use of its resources for the funding and completion of any activities carried out for the purposes of terrorism or the subversion of democracy, and undertakes to adopt effective control and monitoring measures in order to prevent any kind of behaviour aimed at committing such crimes.

Moreover, it is expressly forbidden for all Group employees, wherever they are operating or stationed, to become involved in any practice or action which may foster terrorist activities or the subversion of law and order. In the event of a query or if a situation appears equivocal, each employee is required to consult the head of their function or a Group lawyer.

PRINCIPLE 43: Within the scope of the law in force, the Group undertakes to adopt appropriate control and vigilance measures in order to prevent any behaviour aimed at the perpetration of offences against the person.

3.3 PRINCIPLES AND RULES OF CONDUCT CONCERNING SAFETY AND HYGIENE AT WORK

PRINCIPLE 44: Within the scope of the law in force, the Group undertakes to adopt all measures necessary to safeguard the physical and moral integrity of its workers.

In particular the Group is committed to ensure that:

- respect for the law in force concerning the safety, hygiene and health of workers is considered a priority;
- the risks to workers, insofar as is possible and can be guaranteed by the evolution of the most effective techniques, are avoided also by selecting the most suitable and least dangerous materials and equipment and as such are able to mitigate the risks at source;
- risks which cannot be avoided are properly assessed and suitably mitigated by means of appropriate general and individual safety measures;
- information and training aimed at workers is distributed, updated and specifically related to their position;
- workers are consulted on health and safety issues at work;
- any necessary action or non-conformity concerning safety emerging in the course of normal activities or during checks and inspections is dealt with quickly and effectively;
- the organisation of work and its operative aspects is carried out in such a way as to safeguard the health of workers, third parties and the community in which the Group operates.

In pursuit of the abovementioned goals, the Group allocates organisational, material and economic resources, with the aim of ensuring that the safety regulations in force are fully complied with and the health and safety of workers in the workplace, as well as safety measures, are continuously improved.

Every employee, within the scope of their own responsibilities, is required to ensure that legal regulations, the principles set out in this Code and Group procedures and any other internal provision designed to assure safety, health and hygiene in the workplace are fully complied with.

3.4 PRINCIPLES AND RULES OF CONDUCT CONCERNING CORPORATE OFFENCES

PRINCIPLE 45: The Group forbids any behaviour aimed at tampering with the fairness and the truthfulness of data and information appearing in financial statements, reports or other corporate communications provided for by law and intended for shareholders, the public and the Group external financial auditors.

PRINCIPLE 46: The Group requires the Directors, Function Heads and employees to maintain a proper and transparent conduct when carrying out their responsibilities, above all in relation to any request made by the partners, the Board of Statutory Auditors, other social bodies and the auditing group when carrying out their respective institutional functions.

PRINCIPLE 47: It is forbidden for any Group Directors to behave in such a way as to intend to compromise the integrity of the Group assets.

PRINCIPLE 48: The Directors must not carry out any kind of corporate operation intended to cause damage to creditors.

PRINCIPLE 49: It is forbidden to commit any act, whether simulated or fraudulent, intended to influence the wishes of the members of the Board of Shareholders in order to improperly create a majority and/or obtain a decision which would have been otherwise different.

PRINCIPLE 50: It is forbidden to circulate false news both inside and outside the Group, relating to the Group itself, its employees, collaborators and third parties acting on its behalf.

PRINCIPLE 51: Group employees and anyone acting on the Group's behalf must maintain a helpful and collaborative attitude towards inspection and control bodies, in the event that checks and inspections are carried out by the competent public Authorities.

1) It is forbidden to obstruct in any way the functions of Public Vigilance Authorities which come into contact with the Group because of their institutional responsibilities.

PRINCIPLE 52: The Group forbids any behaviour, whether by persons in a senior or subordinate position, which may merely even indirectly facilitate the commission of criminal offences such as receiving stolen goods, the laundering or use of money, goods or other assets from illegal sources. To this end, the Group undertakes to introduce all necessary preventative and successive control measures.

PRINCIPLE 53: The Group forbids any behaviour, whether by persons in a senior or subordinate position, which may merely even indirectly facilitate the commission of criminal offences such as organised crime, also including that which involves the illegal trafficking of narcotics and psychotropics, the laundering of goods, money and other assets from illegal sources and perverting the course of justice. To this end, the Group undertakes to introduce all necessary preventative and successive control measures (separation of roles, traceability of operations, monitoring, etc.).

PRINCIPLE 54: The Group forbids any behaviour intended to modify the functioning of a computer or data transmission system i.e. unauthorised access to data, information or programmes contained therein, aimed at unduly profiting the Group to the detriment of any State.

Moreover, the Group forbids any behaviour, both by persons in a superior or subordinate position, which may merely even indirectly facilitate the commission of so-called computer-related crimes. To this end, the Group undertakes to introduce all necessary preventative and successive control measures.

4. Control bodies and mechanisms

PRINCIPLE 55: Each company of the group shall be equipped with control mechanisms geared at verifying the application and observance of the ethic systems of the company.

PRINCIPLE 56: Each company of the Group must have provisions for sanctions, in line with national legal provisions, should any case of non-fulfilment or non-observance arise.

5. The Code within the Company

5.1 AWARENESS

PRINCIPLE 57: This Code, by means of appropriate training and other suitable methods of communication, must be brought to the attention of the Social bodies, Group employees, consultants and temporary contract collaborators, agents, proxies and any other third party that may act on behalf of the Group in relations with any Public Administrations. All the aforementioned parties are required to understand its contents and comply with its precepts.

5.2 CONFLICT WITH THE CODE

PRINCIPLE 58: In the event that even a single provision contained within this Code comes into conflict with provisions made in internal regulations or procedures, the Code will prevail over any such provision.

5.3 MODIFICATIONS TO THE CODE

PRINCIPLE 59: Each company of the Group is responsible for the implementation of this Code at local level, through tools and instruments whose general system will be discussed with the Headquarters.



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