

**BioDue**

**CODE OF ETHICS**

Adopted on December 11, 2019  
1st Amendment on October 13, 2021

## INTRODUCTION

BioDue S.p.A (hereafter '**BIODUE**' or the '**Company**') is a solid industrial and commercial business that is dedicated to researching, developing, producing and marketing cosmetic products, medical devices, food supplements and pharmaceuticals.

It is a leading business organization both in Italy and abroad capable of efficiently and effectively handling any type of request from its customers. Skill, the speed of execution and competitiveness are the key to BIODUE's success.

BIODUE's strength, which is what sets it apart in the industry, is its ability to vertically manage a large part of the production chain: from raw materials to research and formula development and the production and marketing of products worldwide.

A breadth of experience and deep *know-how*, combined with the innovative vision that has always been typical of the company, has led BIODUE to establish itself among the most important players in the field of dermocosmetics, medical devices and food supplements.

BIODUE is the strategic partner and reference point for many national and international brands when it comes to developing their products and driving them forward.

BIODUE has always cultivated an in-house research and development-oriented culture, a natural aptitude for achieving and maintaining very high quality standards and in-depth knowledge of the sector. All this translates into a natural inclination towards progress and innovation: *Experience & Evolution*.

The Company firmly believes that ethics in social activities is the reason behind its success in achieving its goals, with loyalty, seriousness, honesty, competence and transparency, working in absolute compliance with the laws and regulations in force, safeguarding the Company's reputation.

Therefore, BIODUE has decided to adopt a corporate code of ethics (the '**Code of Ethics**') which is intended to govern the company's activity through behavioral standards, setting out the general principles that the entire corporate structure must comply with, while also complying with the provisions of Legislative Decree 231/2001.

The Code of Ethics is **an integral part of the Organization, Management and Control System pursuant to Legislative Decree 231/2001 adopted by the Company.**

## I. SUBJECTS OF THE CODE OF ETHICS AND STRUCTURE

In view of the aim of ethically managing BIODUE's business, this Code is binding for:

- ❖ everybody who holds positions of representation, administration or management in the Company or in one of its organizational units with financial and functional autonomy, as well as everybody who effectively manages and controls it, hereinafter respectively referred to as '**Executives**');
- ❖ the auditors, those appointed by the Company to audit the Company (hereinafter referred to as '**Statutory Auditors**' and '**Auditors**' respectively);

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- ❖ employees, including managers (hereinafter jointly referred to as 'Staff' or 'Collaborators'), without exception and regardless of their contractual status (fixed-term, permanent, trainees, etc.);
- ❖ all those who, albeit external to the Company, work directly or indirectly (e.g. agents, informers, proxies, collaborators in any capacity, consultants, suppliers, contractors, subcontractors, business partners, etc., hereinafter referred to as 'Third Parties').

All of the above parties shall be collectively referred to hereinafter as 'Subjects' or individually as 'Subject').

All Subjects are therefore required to observe and, to the extent of their competence, enforce the ethical and behavioral principles contained in the Code of Ethics. Under no circumstances shall the claim of acting in the interest of BIODUE justify conduct contrary to what is set forth in this document.

Compliance with the rules of the Code must be especially considered an essential part of Company employee contractual obligations pursuant to and for the purposes of the provisions of Article 2104 et seq. of the Civil Code. Violation of the rules of the Code of Ethics damages the relationship of trust established with the Company and may lead to disciplinary action and compensation for damages, without prejudice for the employees to compliance with the procedures set out in Article 7 of Law no. 300 of 20 May 1970 (the so-called Workers' Statute), collective labor agreements and any company regulations adopted by BIODUE.

This Code consists of **four sections**:

- ❖ This section states the people who the Code is addressed to;
- ❖ The second section sets out the ethical and behavioral principles that identify the reference values in the Company's activities;
- ❖ The third section sets out the rules of conduct to be observed in interactions with health/university professionals;
- ❖ The fourth section governs how the communication, training and implementation of the Code of Ethics and its monitoring and control are regulated.

By resolution of the Board of Directors, the Code of Ethics may be amended and supplemented on the basis of suggestions and indications from the Supervisory Board.

## **II. ETHICAL AND BEHAVIORAL PRINCIPLES**

### **II.1. *Responsibility and respect for the law***

BIODUE fully observes the laws, regulations and, generally speaking, the rules in force in Italy and in all the countries in which it does business or has relations.

### **II.2. *Fairness and conflict of interest***

The Subjects must act correctly in order to avoid situations of conflict of interest, i.e. situations in which the pursuit of their personal/private interests conflicts with that of the Company. Furthermore, situations whereby an employee, director or other Subject may gain an unfair advantage and/or profit from opportunities that come to light in the course of and due to the performance of their duties are to be avoided.

### **II.3. *Impartiality***

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BIODUE rejects and repudiates any principle of discrimination based on sex, nationality, religion, personal and political opinions, age, health and economic conditions of its spokespeople.

### **II.4. *Honesty***

The Subjects must be aware of the ethical significance of their actions and must not pursue personal or corporate gain in violation of the laws in force and the rules of this Code.

### **II.5. *Integrity***

BIODUE neither approves nor justifies any action of violence or threat aimed at obtaining behavior contrary to the regulations in force, including those in the Code of Ethics.

### **II.6. *Accounting transparency***

The principle of transparency is based on the truthfulness, accuracy and completeness of information both inside and outside the Company.

In accordance with the principle of transparency, every operation and transaction must be correctly recorded, authorized, verifiable, legitimate, consistent and congruous.

All actions and operations must be properly recorded and it must be possible to check the decision, authorization and execution process.

For each operation there must be adequate documentary support in order to be able run checks at any time that attest to the characteristics and motivations of the operation and identify who authorized, performed, recorded and verified it.

### **II.7. *Efficiency***

The economical management and use of the Company's resources must be pursued in all work activities in compliance with the most advanced quality standards.

BIODUE also undertakes to safeguard and protect the Company's resources and assets, as well as to manage its assets and capital by taking all the precautions necessary to ensure full compliance with the laws and regulations in force.

### **II.8. *Protecting privacy***

BIODUE is committed to protecting the privacy of the Subjects and customers in compliance with the regulations in force, with a view to avoiding communicating and disseminating personal data without the consent of the person concerned.

The acquisition and processing, as well as the storage of the information and personal data belonging to Staff, customers and other individuals whose data is available to the Company, is done in compliance with specific procedures aimed at preventing unauthorized people and/or entities from gaining knowledge about it.

### **II.9. *Protecting confidentiality***

Any Staff and people performing activities in BIODUE's interest must treat the data, news and information that comes into their possession with absolute confidentiality, avoiding its dissemination or use for their own or third parties' speculative purposes even after the termination of the employment relationship. Confidential information may only be disclosed within the Company to those who have a real need to know about it for business reasons.

### **II.10. *Spirit of service***

The Subjects must direct their conduct towards the pursuit of the mission to provide a quality service for customers, who must benefit from the highest standards; this is to be done within the limits of their respective competences and responsibilities.

### **II.11. *Human resource value***

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Human resources are recognized as a fundamental and indispensable factor for business development.

BIODUE protects professional growth and development in order to increase the wealth of skills, in compliance with current legislation on individual personality rights, and with particular regard to the Staff's moral and physical integrity.

BIODUE undertakes not to favor forms of clientelism and nepotism, and not to establish any relationship of a working nature with those involved in acts of terrorism.

Staff are only hired under regular employment contracts since no form of illegal employment is tolerated. Salaries are in line with the applicable industry collective bargaining agreement. BIODUE does not use companies that exploit their staff or make use of illegal workers either directly or indirectly.

The recognition of salary increases or other incentives and access to roles and positions of greater responsibility are linked to employee individual performance, to the ability to express organizational skills through behavior marked by the Company's ethical principles of reference as stated by this Code, and to the rules established by law and by the collective labor agreement.

### ***II.12. Principle of non-discrimination***

The Subjects to the Code of Ethics must refrain from any discriminatory behavior in relation to race, ethnic or territorial origin, sex, age, religion or political opinions.

### ***II.13. Contributions and sponsorships***

BIODUE may allow requests for contributions, with these being limited to proposals from organizations and associations governed by articles of association that explicitly state that they are non-profit-making and whose purpose is of high cultural, charitable or scientific value, in compliance with current regulations and company procedures.

Sponsorship activities, which may relate to medical science, social, environmental, sports, entertainment and art, are only intended for events or organizations that offer a guarantee of quality and whereby any possible conflict of interest can be ruled out.

### ***II.14. Repudiation of all forms of terrorism***

BIODUE repudiates all forms of terrorism and within the scope of its activity intends to adopt the appropriate measures to prevent the danger of involvement in acts of terrorism in order to contribute to the affirmation of peace between people and democracy.

To this end, the Company undertakes not to establish any working or commercial relationship with natural or legal persons involved in acts of terrorism, as well as not to finance or in any case directly or indirectly facilitate any of their activities.

### ***II.15. Repudiation of criminal organizations***

BIODUE repudiates all forms of criminal organizations (particularly mafia-type associations) both in Italy and abroad. The Company adopts appropriate measures to prevent the danger of its own involvement or that of its employees in relations and activities undertaken for any reason and in any way, even in the form of mere assistance and aid, with such organizations.

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To this end, the Company does not establish any relationship of a working, collaborative or business nature with people, be they natural or legal persons directly or indirectly involved in criminal organizations or, in any case, linked by kinship and/or affinity ties with members of known criminal organizations, just as it does not finance or, in any case, facilitate any activity related to such organizations.

### **II.16. *Protecting the individual***

BIODUE recognizes the need to protect individual freedoms in all its forms and repudiates any manifestation of violence, especially when it is aimed at restricting personal freedoms, as well as any instances of prostitution and/or child pornography.

The Company undertakes to promote sharing of the same principles within the scope of its activity among the Subjects.

### **II.17. *Protecting occupational health and safety***

BIODUE pursues its goal of ensuring health and safety in the workplace with the utmost commitment.

In this respect, the Company adopts the most appropriate measures to avoid the risks associated with the performance of its business activity and, where this is not possible, to adequately assess the existing risks, with the aim of dealing with them directly at the source and ensuring they are resolved or, where this is not possible, handled.

Within the scope of its activity, BIODUE is committed to making the workspace human through the design of workstations, the choice of work equipment and work and production methods, to mitigate monotonous and repetitive work and to reduce the effects of such work on health.

Within the field of health and safety in the workplace, the Company also undertakes to work according to the following principles and criteria:

- avoid risks;
- assess risks that cannot be avoided;
- fight risks at the source;
- take into account the degree of technical development;
- replace what is dangerous with what is not dangerous or is less dangerous;
- adequately plan prevention, working towards a coherent whole that takes into account and integrates work organization, working conditions, social relations and the influence of factors in the working environment;
- prioritize collective protection measures over individual protection measures;
- give appropriate instructions to the Staff.

These principles are used by the Company in order to identify and adopt the necessary measures to protect the health and safety of workers, including activities for the prevention of occupational risks, information and training, as well as for the preparation of an organization and its necessary means.

The Subjects of the rules of this Code of Ethics participate in the process of risk prevention and health and safety protection for themselves, their colleagues and third parties within the scope of their duties.

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**II.18. *Protecting transparency in business transactions (anti-money laundering)***

BIODUE has established the utmost transparency in business transactions as a principle and prepares the most appropriate instruments to counter the phenomena of money laundering, self-laundering and receiving stolen goods. Respect for the principles of fairness, transparency and good faith in relations with all contractual partners must be guaranteed.

The transparency and traceability of all financial and non-financial operations and transactions must also be guaranteed and must be faithfully reflected in the Company's economic and financial situation.

Staff and people carrying out activities in BIODUE's interest shall use all the appropriate tools and precautions to ensure the transparency and fairness of business transactions.

More specifically, it is mandatory, among other things, for:

- a) assignments given to any service companies and/or natural persons who look after the economic/financial interests of the Company to be drawn up in writing, stating the contents and the agreed economic conditions;
- b) the competent departments to properly check the regularity of payments due to or from all counterparties by checking that the person the order is addressed to and the person collecting the relevant payments coincide;
- c) the minimum requirements set and required for choosing the tenderers of the goods and/or services that the Company intends to acquire be carefully observed;
- d) criteria for the evaluation of tenders be established;

- e) with reference to the business/professional reliability of suppliers and partners, all the necessary information to be requested and obtained;
- f) in the case of entering into agreements/*joint ventures* with the aim of making investments, maximum transparency to be ensured;
- g) proper and transparent conduct to be maintained, in compliance with the applicable laws and regulations, in the performance of all activities regarding invoicing and recording invoices in the mandatory accounting records;
- h) correct and transparent conduct to be maintained, in compliance with applicable laws and regulations, in the compilation and subsequent submission of tax returns;
- i) any operations aimed at avoiding the payment of taxes due on the basis of the tax declaration to be avoided;
- j) simulated or otherwise fraudulent transactions aimed at enabling the evasion of income or value added tax to be avoided;
- k) the regular submission of tax returns and the timely payment of the tax due be ensured.

**II.19. *Protecting industrial and intellectual property rights***

BIODUE complies with regulations on the protection of trademarks, patents and other distinctive signs and on copyright.

BIODUE does not permit the use of products with counterfeit trademarks and signs, or the manufacture or marketing or, in any case, any activity concerning products already patented by third parties and over which it has no rights for any reason and for any purpose.

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**II.20. *The correct use of computer systems and company assets***

The Company aims to ensure the correct use of computer services so as to guarantee the integrity and authenticity of the data processed in order to protect the interests of the Company and third parties, with particular reference to public authorities and institutions. Staff and those working in BIODUE's interest in the performance of their professional activities, must use computer tools and services in full compliance with the relevant regulations in force (and in particular, with regard to computer crimes, computer security, privacy and copyright) and internal procedures. Staff and those working in BIODUE's interest may not load borrowed or unauthorized software onto company systems, nor may they make unauthorized copies of licensed programs for personal, company or third party use.

Staff and those working in BIODUE's interest must use the computers and IT tools made available by the Company exclusively for company purposes; as a result, the Company reserves the right to verify the content on the computers as well as the correct use of the computer tools in compliance with company procedures, labor and privacy regulations.

Staff and those working in BIODUE's interest (or promoting BIODUE products) are also required not to send threatening and insulting emails, not to resort to using linguistic expressions that do not conform to the Company's style, or in any case to inappropriate language.

The Staff shall protect and guard the Company's values and assets that are entrusted to them, and help to protect the Company's assets, avoiding situations that may adversely affect the integrity and security of such assets.

In any case, the Staff must avoid using the resources, assets or materials belonging the Company for personal gain, or in any case for improper purposes.

**II.21. *Fair external communication***

The Company's communication to the outside world shall be fair, truthful and transparent; under no circumstances may false or biased news or comments be divulged.

Any communication addressed to the outside world in documentary, broadcasting, computerized or verbal form shall take place in compliance with the rules and regulations governing individual professional conduct.

**II.22. *Respect for competition (Antitrust)***

The Company believes in free and fair competition and directs its actions towards obtaining competitive results that reward capability, experience and efficiency. The Company recognizes the value of competition when inspired by the principles of fairness and transparency with regard to market operators, and acts honestly and in accordance with the laws and regulations on fair competition.

**II.23. *Product quality and safety***

BIODUE is focused on the satisfaction and protection of its customers by listening to requests that may lead to an improvement in product quality.



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The company pays the utmost attention to the quality and safety of its marketed products, using primary and selected raw material suppliers according to the most stringent standards while also investing in research and development.

**II.24. *Repudiation of any form of active or passive corruption***

The Company repudiates all forms of active and passive corruption in both the public and private sectors.

BIODUE prohibits its Staff and those working in the Company's interest from offering, promising and giving money, gifts, goods, services or favors (also in terms of employment opportunities or by means of activities, including of a business nature, which are directly or indirectly relating to the employee) to public officials, those in charge of a public service and/or private operators, albeit indirectly, in order to influence their decisions in view of more favorable treatment or undue services or for any other purpose, including the performance their duties.

Likewise, it is forbidden to accept money or other benefits, whether they be financial or of any other nature, for the Company and/or oneself and/or third parties, if this is intended to influence the performance (or even the omission) of duties in breach of one's professional obligations.

In any case, in the course of negotiations or any other relationship with the Public Administration, Staff and those working in the Company's interest must refrain from directly or indirectly taking actions aimed at:

- proposing employment or business opportunities to Public Administration employees or their relatives or similar which may lead to benefits for themselves or others;
- soliciting or obtaining confidential information that may compromise the integrity or reputation of one or both parties.

In the event of investigations, inspections or requests by the public authorities, Staff and those working in the Company's interest are required to ensure due cooperation.

In the event that the activity involving contact with a person from the Public Administration is carried out by someone external to the Company, the employee dealing with the matter must ensure compliance with the above-mentioned ethical principles to the extent of their competence,.

**II.25. *Community relations and environmental protection***

BIODUE recognizes that environmental protection is of fundamental importance in ensuring a coherent and balanced growth trajectory.

Subsequently, the Company is committed to safeguarding the environment and contributing to the sustainable development of the area through the use of the best available technologies and constantly monitoring company processes.

In the performance of their corporate duties, the Staff must always consider the need to protect the environment over any economic considerations.

**II.26. *Relations with local authorities and public institutions***

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BIODUE aims to ensure maximum integrity and fairness in its relations with public institutions in contractual relationships and, generally speaking, with the Public Administration, including everything concerning the request and/or management of authorizations, licenses and public disbursements, in order to guarantee maximum clarity in institutional relations, in harmony with the need for organizational and managerial autonomy which is proper to any economic operator.

Relations with institutional spokespeople are maintained exclusively through the entities designated for this purpose.

If BIODUE uses a consultant or a 'third party' to represent it in relations with the Public Administration, they shall comply with the provisions which are valid for the Staff; moreover, the Company shall not be represented by a consultant or a 'third party' in relations with the Public Administration if there are any conflicts of interest, albeit potential.

### ***II.27. Cooperation with the authorities during investigations***

BIODUE recognizes the value of the judicial and administrative sphere and aims to ensure maximum integrity and fairness in its relations with the competent authorities.

Therefore, it prohibits any conduct aimed at or liable to interfere with the investigations or assessments carried out by the competent authorities and, more specifically, any conduct aimed at obstructing the pursuit of the truth, by persuading individuals called upon by the judicial authorities not to make statements or to make false statements.

The Company undertakes to take all the necessary measures to provide the cooperation requested by the authorities within the limits of the regulations in force.

### ***II.28. Relations with associations, trade unions and political parties***

BIODUE does not make any direct or indirect contributions to finance political parties, movements, committees and political and trade union organizations, nor their representatives or candidates.

Furthermore, the Company does not finance associations or sponsor events or congresses that have political propaganda as their purpose.

### ***II.29. Protecting customers/consumers***

BIODUE pays the utmost attention to consumer protection, focusing its operations on the needs and requirements of its customers with a view to continuously improving its services.

The Company is committed to listening and responding to consumer needs, seeking the best value for money.

### ***II.30. Fairness in relations with private operators***

BIODUE considers it a fundamental and unavoidable value that relations with private operators (suppliers, contractors, subcontractors, consultants, business partners, etc.) are maintained with the utmost loyalty, integrity, fairness and good faith.

Staff and those working in BIODUE's interest must base their relations with distributors, agents, suppliers, contractors, subcontractors and contractual third parties in general on the utmost fairness and transparency, in compliance with the laws and regulations in force, the System and the Code of Ethics, as well as the internal procedures and, more specifically, those concerning purchases and choosing suppliers.

When it comes to choosing its distributors, suppliers, contracting agents and subcontractors and third parties in general, BIODUE operates with the aim of achieving the maximum competitive advantage, adopting a non-discriminatory conduct.

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Relations with third parties in general are always governed by specific contracts, aimed at achieving maximum clarity to govern the relationship.

### **II. 31. *Protecting share capital and creditors***

One of the central aspects that ethically qualifies BIODUE's conduct is the observance of principles of conduct aimed at guaranteeing the integrity of the share capital, the protection of creditors and third parties that establish relations with the Company, and in general, the transparency and fairness of the Company's operations from an economic and financial standpoint. BIODUE, therefore, intends to ensure that the rules of conduct aimed at safeguarding the aforesaid values are public knowledge and are observed in order to prevent the corporate offenses covered in Legislative Degree 231/01 from being committed.

More specifically, BIODUE ensures its corporate bodies work smoothly, guaranteeing and facilitating all forms of control over corporate management provided for by the law, as well as the free and correct formation of will at the shareholders' meeting; strict compliance with the internal procedures prepared for this purpose by the Company and/or, in any case, the adoption of conduct consistent with this principle is therefore required.

In particular, with reference to the preparation of financial statements, BIODUE considers the truthfulness, fairness and transparency of accounts, financial statements, reports and other corporate communications required by law and addressed to shareholders or the public, as an essential principle of business conduct and a guarantee of fair competition. This means that the validity, accuracy, and completeness of the basic information for entries onto the accounts must be thoroughly investigated.

As a result, there is to be no concealment of information or any partial or misleading representation of economic, asset and financial data by management and those subject to handling it. Therefore, all internal and external collaborators involved in producing, processing and accounting for this information are responsible for the transparency of the Company's accounts and financial statements. Any neglect, omission or falsification that employees become aware of must be promptly reported to the Supervisory Board.

### **II. 32. *Confidentiality***

The Subjects who, in the normal exercise of their occupation, profession or role, are involved in activities relating to the management and dissemination of confidential information, are required to comply with the provisions of the law and regulations on the matter.

In particular, the Subjects shall be **obliged** to the extent of their competence, to:

- Treat all confidential inside information they may become aware of in the course of their duties with the utmost confidentiality in order to protect both the Company's interest in the confidentiality of its business and to avoid market abuse, and use confidential information only in connection with their work, profession or role;
- Use confidential information exclusively in the normal course of the exercise of their occupation, profession or role and to the extent strictly necessary for the normal exercise of such occupation, profession or role and, therefore, not use it for any reason or cause whatsoever for personal purposes or to the detriment of the Company or the Group;

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- Ensure that confidential information is treated with all due care to ensure that it is disseminated without prejudice to its confidential nature until it is disclosed to the market or made known in accordance with the law or can otherwise be found in the public domain;
- Allow the dissemination of confidential information only among those who actually need it for the normal exercise of their occupation, profession or role;
- In the event of receiving (by mail, including email or fax) 'confidential' or 'privileged' documents, the receiving party must take care of collecting the documents either personally or through an authorized person, which must not remain in view of third parties or be left unattended;
- secure collection containers or shredding equipment must be used to destroy such documents to make them unreadable.

**III. RULES OF BEHAVIOR IN INTERACTIONS WITH HEALTHCARE PROFESSIONALS AND HOSPITAL AND UNIVERSITY FACILITIES**

The following are the rules of conduct which Subjects must adhere to in the performance of their activities, with particular reference to relations with professionals, operators and facilities in the health sector.

In view of the different portfolio of products marketed by the Company, it is considered appropriate to make a distinction between cases in which conference or training initiatives relate to pharmaceutical products and those in which they relate to other products (supplements, medical devices, etc.).

The following provisions therefore apply solely to congress initiatives relating to pharmaceutical products marketed by the Company.

For all other conference or training initiatives organized by the Company or in any case sponsored by the Company, they are governed by the specific procedures/protocols adopted by the Company in addition to complying with the regulations in force.

**III.1. Congresses and conferences**

The Company may support educational, scientific or policy-making conferences that promote scientific knowledge, medical progress and effective healthcare. These generally include conferences organized by international, national, local or specialist medical associations or accredited bodies for continuous medical education.

The Company's support for such conferences may take place if the events are organized in suitable and easily accessible venues, the choice of which is motivated by logistical, scientific and organizational as well as economic reasons, given that the chosen venue must not become the main appeal of the event.

If the Company intends to invite health professionals/workers to a conference, it may incur certain expenses related to the participation of the health professionals it invites in the conference/congress. These expenses may include:

- meals;
- hotel for the duration of the conference;
- transport and travel expenses.

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At the same time as the invitee's participation in the event, the Staff must also acquire the physician's express consent to having their personal data processed; this includes their name, specialization and compliance with the general and regional regulations in force.

The Company may purchase advertising and lease exhibition stand space for its products at conferences, provided that it complies with the general provision that it does not directly or indirectly organize or participate in any form in congresses, conventions, workshops and the like in which:

- tourism-recreational aspects take precedence over technical-scientific ones;
- hospitality and travel expenses are extended to accompanying guests;
- hospitality and travel expenses are extended to a period of time before the beginning and/or after the end of the event exceeding 24 hours.

The Company may also provide financial support to the conference/congress organizers and the teaching staff in the form of low-cost meals and a hotel for program participants. In such circumstances, the Company shall adhere to the above limits and types of expenses for inviting health professionals to conferences.

**III.2. *Scientific advice and appointing health professionals***

BIODUE may pay reasonable fees to healthcare/university professionals for services such as consulting, presentations at organized or sponsored training courses and collaboration in the development and application of products marketed by the Company.

In accordance with Article 53 of Legislative Decree 165/2001, particular attention must be paid in cases where remuneration is paid to certain categories of public entities as well as following certain activities, with the exceptions provided for in the aforementioned legislation. Again in accordance with the aforementioned legal provision and in the cases indicated therein, it is also necessary the Administration to be notified about the amount paid within fifteen days of paying the remuneration.

Such consultancy contracts must:

- a) be entered into only where the scientific interest consistent with the Professional's competence is identified beforehand and with an underlying rationale;
- b) be in writing, duly signed by the parties and contain the activities and services to be provided, the remuneration and any incidental expenses;
- c) comply with the laws and regulations of the country in which the health professional is practicing, with the necessary prior authorizations issued by the competent senior body;
- d) predetermine the remuneration given to the Professionals in the health sector who will perform their activities for the Company according to objective criteria fair market value criteria, based on the qualification and experience of the Professional, the nature of the assignment and proportionate to the services actually rendered.

Payment shall be made only against:

- 1) appropriate documentation attesting the performance of the service;
- 2) regular invoice/notice issued by the Professional, payable by means of a deed drawn up in the latter's favor.

### **III.3. Whistleblowing**

In the case of promotions relating to pharmaceutical products, the Company is committed to the utmost compliance with the provisions of Legislative Decree 219/2006.

The only individuals able to be involved in whistleblowing are those possessing the qualifications required by Legislative Decree 219/2006.

Whistleblowers must present themselves to health professionals by establishing their credentials.

Whistleblowers must not exercise medical or para-medical professions, or in any case professions related to the use of products marketed by BIODUE, even if they are not remunerated, nor any other continuous activity involving an employment relationship.

The whistleblower must only provide the health care professional with information on the properties and characteristics of the product developed by the company that allows for the right therapeutic application.

The content of the information must always be documented or documentable. Any exaggerated statements, universal and hyperbolic assertions, unprovable comparisons lacking a clear objective basis are not permitted.

Information material for scientific consultation or work which is not specifically related to the medicinal product, may be disposed of free of charge, subject to the requirements laid down in the regulations in force.

Physicians and pharmacists may not solicit or accept any prohibited incentives as specified above.

At each visit, sales representatives must give the physician the summary of the product characteristics for each medicinal product presented, complete with price information and, where appropriate, the conditions under which the medicinal product may be prescribed at the expense of the National Health Service.

Medical representatives must report all the information on the undesirable effects of medicinal products to the scientific department they are reporting on and to the head of the pharmacovigilance department, enclosing, where possible, copies of the report cards used by the physician.

With regard to any free pharmaceutical product samples delivered to physicians, the rules laid down in Legislative Decree 219/2006 shall apply:

1. Free samples of a medicinal product for human use may only be given to physicians authorized to prescribe it and must only be delivered through medical representatives.
2. Samples may not be delivered without a written request, bearing the date, stamp and signature of the recipient.
3. Medical sales representatives may deliver two samples per visit to each health care professional for each strength or pharmaceutical form of a medicinal product only during the eighteen months following the date on which the product is first marketed and within a maximum of eight samples per year for each strength or form.
4. Without prejudice to point 2, medical representatives may also provide the physician with no more than four samples per visit, subject to a maximum of ten samples per year, chosen from the company list of medicinal products that have been on the market for more than eighteen months.
5. The quantitative limits in points 3 and 4 also apply to medicinal products sold to the public in pharmacies that are not dispensed at the charge of the National Health Service.

#### **III.4. Information and promotional material**

The information material relating to BIODUE products, prepared and used by BIODUE as part of its whistleblowing activities with physicians, must refer to the indications contained in the official documentation provided at the time of product registration.

Scientific quotes must accurately reflect the meaning intended by the author.

Texts, tables and other illustrations taken from medical journals or scientific works must be reproduced faithfully and in full, with the exact indication of the source. Quotes which, when taken out of context, may be partial and/or contradict the author's intentions are not permitted.

Within the context of the information and presentation of medicinal products carried out with physicians or pharmacists, granting, offering or promising rewards, pecuniary advantages or benefits in kind is forbidden, unless they are of negligible value and are in any case connected with the activity carried out by the physician or pharmacist.

Promotional material sponsored by BIODUE and relating to the products and/or their use shall be of negligible value, be non-fungible and in any case linkable to the activity carried out by the physician and pharmacist. The name of the company and/or the sponsored product must also be clearly indicated on such material. The offer of any kind of incentives aimed at compensating time taken away by health professionals from their normal professional activity and devoted to attending conferences is prohibited. Promotional material for physicians and pharmacists must be purchased directly from the Company's central offices.

### **(IV) COMMUNICATION AND DISSEMINATION OF THE CODE OF ETHICS. IMPLEMENTATION AND ENFORCEMENT OF THE CODE.**

#### **IV.1. Communication and Dissemination of the Code of Ethics**

The Company undertakes to ensure the timely internal and external dissemination of the Code of Ethics.

With particular reference to Corporate Bodies and Staff, it guarantees:

- the distribution of the Code of Ethics to all members of the Corporate Bodies and all Staff;
- posting it in a place in the company premises accessible to all, including by means of computerized tools;
- assistance in the interpretation and clarification of the provisions contained in the Code;
- the design of systems for verifying effective compliance with the Code of Ethics.

The Supervisory Board *as per* Legislative Decree 231/2001 (hereinafter referred to as the 'SB'), entrusted with the effective implementation of the System, promotes and monitors training initiatives on the principles of the Code of Ethics; these are structured differently and differentiated in consideration of the role covered and the responsibilities assigned to the resources concerned.

With particular reference to Third Parties and any other spokesperson, the Company shall also:

- inform them of the commitments and obligations imposed by the Code of Ethics;
- disseminate the Code through the company's information systems;

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- require them to comply with the Code of Ethics;
- have clauses and/or declarations contained in and/or in any case attached to the relevant contracts aimed, on the one hand, at formalizing the commitment to comply with Legislative Decree 231/2001, the system and the Code of Ethics and, on the other hand, to regulate the sanctions of a contractual nature that will be applied following the violation of this commitment. The Company will ensure the definition and constant improvement of these clauses.

Any doubts concerning the application of this Code shall be discussed with the Supervisory Board in good time.

### **IV.2. Violations of the Code of Ethics and corresponding sanctions**

As regards the typing of violations in the System, including with regard to the Code of Ethics, as well as the applicable sanctions and the procedure for contesting violations and imposing sanctions, please refer to the provisions of the disciplinary system adopted by BIODUE and described in the General Section, which is an integral part of the System.

With regard to Third Parties, any failure to comply with the principles and prescriptions of the System and the Code of Ethics may lead to the imposition of the sanctions of a warning, the application of a penalty or the termination of the contract.

### **IV.3. Reporting breaches of the Code of Ethics**

Reports of breaches of the Code of Ethics, the System and/or unlawful conduct that is deemed relevant under the Decree, which the reporting persons have become aware of through their duties, must be detailed and based on precise and concordant elements of fact.

Submitting reports that are found to be unfounded, with malice or gross negligence committed by the person making the report is sanctioned in accordance with the provisions of the Disciplinary System (see point 10 of the General Section of the System).

In the course of its control activities, the Supervisory Board acts in such a way as to ensure that those involved are not subject to retaliation, discrimination or, in any case, penalization, whether it be direct or indirect, thus ensuring the confidentiality of the person making the report, except in the event of any legal obligations.

Pursuant to Article 6(2) *ter* of the Decree, the adoption of discriminatory measures against whistleblowers may be reported to the National Labor Inspectorate for measures within its competence, not only by the whistleblower, but also by the trade union organization indicated by the whistleblower.

Moreover, pursuant to Article 6(2) *quater*, any retaliatory or discriminatory dismissal of the reporting person is null and void. A change of duties within the meaning of Article 2103 of the Civil Code, as well as any other retaliatory or discriminatory measure taken against the whistleblower, are also null and void. In such cases, the onus is on the employer in the event of disputes relating to the imposition of disciplinary sanctions or to demotions, dismissals, transfers or subjecting the whistleblower to other organizational measures having a direct or indirect negative effect on working conditions following the submission of the report; this is to prove that such measures are based on reasons unrelated to the report itself.



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The Company, in order to facilitate reports to the Supervisory Board by individuals who have become aware of violations of the System, even though they are only potential violations, shall activate the appropriate dedicated communication channels and, more specifically, a specific e-mail address [odv@biodue.com](mailto:odv@biodue.com). Reports may also be submitted anonymously in writing to: Organismo di Vigilanza, c/o BioDue S.p.A. in Via Ambrogio Lorenzetti, 3/a, 50028 Sambuca (FI).