

Position statement on conflict minerals and metals

Background

Conflict minerals are minerals and metals (tantalum, tin, tungsten and gold, the so-called "3TG") from conflict-affected or high-risk areas (CAHRAs). As defined in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, these areas are "identified by the presence of armed conflict, widespread violence or other risks of harm to people".

It is widely recognized that the exploitation and trade of minerals and metals originating from conflict-affected and high-risk areas can be used to finance armed groups, lead to forced labour and other human rights abuses, and support corruption and money laundering.

Our Position

IBSA is committed to ensuring that it conducts its business worldwide with respect for human rights as outlined in our Ethic Code and Third-Party Code, available on our internet site www.ibsagroup.com.

As a part of this commitment IBSA ensures the responsible sourcing of minerals and metals. This includes conducting necessary due diligence with our relevant suppliers to determine whether we source any conflict minerals and metals in any of the materials, components, products that we manufacture or contract to manufacture, that originated from CAHRAs.

IBSA's position on conflict minerals and metals is made public within institutional web channels as required by the main relevant legislation, including the Swiss Code of Obligations, the EU Conflict Minerals Regulation and the US Dodd-Frank Act.

Il nostro approccio

We do not source and process any of the 3TG minerals and metals into any of our entities.

We rely upon the cooperation of our suppliers in the implementation of the supply chain obligations, embedded in our Third Party Code of Conduct, in relation to the above mentioned regulations.

Where applicable, we ask suppliers to provide us with necessary information relating to the potential use and source of any conflict minerals and metals in any products they may provide to us. We communicate the expectation to such suppliers to establish their own policies and procedures relating to conflict minerals and make

them available to us upon request. We reserve the right to verify any information received from our suppliers.

Il nostro processo di due diligence

We use a documented reasonable due diligence process, as suggested by the Organization for Economic Cooperation and Development (OECD) guidelines, to determine the use, country of origin and source of 3TG minerals in our global product portfolio across our Pharmaceutical, Medical Devices, Food Supplements and Cosmetics. Our due diligence framework includes:

- the creation of a team within the Supply Chain, supported by the ESG and Legal&Compliance functions, dedicated to risk mapping and due diligence activities;
- the adoption and dissemination of a Supplier Code of Conduct, with the aim of guiding the entire supply chain in the process of implementing the highest ethical, social, environmental and corporate governance standards;
- the provision of specific contractual clauses requiring suppliers to comply with the aforementioned Code of Conduct and the principles referred to therein;
- the implementation of tools and processes to map the supply chain and identify and assess risks and negative impacts;
- the establishment of a risk management plan to remedy identified risks and negative impacts and to establish a schedule of measures to be taken with high-risk or non-compliant suppliers, in order to encourage them to change their practices;
- the provision of a process for disengagement from suppliers in the event that the entity does not actively contribute to further improving compliance;
- the establishment of an internal reporting mechanism to keep Senior Management up-to-date on due diligence efforts and the results obtained;
- the establishment of a grievance and whistleblowing mechanism, which allows anyone with concerns and/or knowledge of violations on the issues in question to inform IBSA, including anonymously;
- the provision of an adequate response to customer enquiries (IBSA also acts as a CDMO, i.e. contract development manufacturing organization);
- disclosing regular reports on IBSA's due diligence policies and practices to stakeholders and the public;
- establishing an ongoing review to improve, adapt and develop the due diligence process, ensuring compliance with applicable regulations and codes;

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For any questions regarding this document or IBSA's approach on conflict minerals and metals, please reach out to:

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