



# Supplier Code of Conduct

Approved by  
the Board of Directors of  
IBSA INSTITUT BIOCHIMIQUE SA  
on June 2024, 12

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# Introduction

IBSA is firmly committed to integrating environmental, social and economic sustainability into all its activities and corporate objectives and it complies with the highest ethical standards.

IBSA understands that ensuring sustainable growth and the long-term success of the company and its stakeholders requires strong relationships aimed at creating a fair, responsible and transparent supply chain.

We firmly believe that this brings common and shared benefits for us, our Suppliers and the communities in which we operate.

This **Supplier Code of Conduct (hereinafter for brevity also just “Code”)** has been established with this perspective and its primary purpose is to guide the entire supply chain in the process of implementing the highest ethical, social, environmental and corporate governance standards. A document in which values, principles and expectations translate into a series of tangible actions aimed at ensuring a concrete company policy on sustainability.

The principles of conduct set out herein echo what is established at international level in the UN Universal Declaration of Human Rights, in the Declaration on Fundamental Principles and Rights at Work, in the Conventions issued by the International Labour Organisation (ILO), in the Ten Principles of the Global Compact as well as those contained in the UN Guiding Principles – for business and human rights and in the OECD Guidelines for multinational companies.

How to read and implement the Code:  
The Code:

- applies to all “Suppliers”, i.e. to any natural or legal party who supplies goods and/or services to the IBSA Group. This definition includes any manufacturer of raw materials; intermediate materials and finished materials; intermediary suppliers; service providers; distributors; wholesalers; licensors; licensees; other technology partners and other sales entities;
- applies to the Supplier’s entire supply chain;
- applies to all personnel employed in activities related to supply and/or to service provision (regardless of the

- nature and duration of the employment relationship);
- applies to all the locations where the Supplier carries out its business, without any distinction with respect to main offices, secondary offices, subsidiaries, branches, factories, etc.;
- is an additional tool which does not replace the national and international legislation in force and applies in the geographical area and production environment in which the Supplier operates;
- represents the main assessment criterion in the Supplier selection and validation process and extends over the entire duration of the contractual relationship

The IBSA group:

- reserves the right to proceed independently at any time to verify (directly or through third parties) the Supplier's compliance with the Code by means of any appropriate tool: on-site audit activities; sending checklists, requests for document production and also recommends that the Supplier undertake similar initiatives;
- where it ascertains or becomes aware of circumstances and/or practices that are harmful or potentially harmful to the values

and principles established in the Code, whether due to the Supplier and/or to a third party involved in the Supplier's supply chain, reserves the right to request the adoption of specific corrective actions and/or to immediately interrupt the supply relationship.

- undertakes to update the contents of the Code every three years and recommends that all Suppliers familiarise themselves and comply with the most recent version.

This document is divided into 5 Sections, respectively dedicated to the following topics:

- Human rights and labour;
- Ethics;
- Environment
- Quality, Health & Safety;
- Governance and Management Systems.

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# Section 1 – Human rights and Labour

IBSA is committed to respecting, protecting and concretely putting into practice the fundamental rights and freedoms of the person by implementing actions and controls aimed at tangibly affirming the dignity and respect of all individuals.

The platform of reference parameters, understood as the minimum requirements, against which IBSA assesses the adequacy of its partners are the principles, rights and freedoms contained in the Universal Declaration of Human Rights and in the Conventions of the International Labour Organisation (ILO).

Human rights and labour-related aspects include:

## **Prohibition of child labour.**

IBSA does not tolerate any type of child labour within its supply chain. Suppliers must avoid any form of use of child labour in their business activities and in their management of relationships with any commercial

partners connected to and/or involved in their business activities.

In particular, Suppliers shall ensure compliance with the minimum age limits for employment and hazardous work established in the International Labour Organisation Conventions and shall also recognise and pursue the full application of children's human rights, such as the right to basic education, the right to play and the right to satisfy primary and childhood needs.

In order to ensure effective monitoring, Suppliers shall designate a human resources manager responsible for guaranteeing implementation and compliance with appropriate policies and procedures to monitor the age of workers and/or the possible employment of young workers for tasks that are dangerous or otherwise detrimental to full physical and mental development. This monitoring must apply to every location where the Supplier carries out its business, without any distinction with respect to main offices, secondary offices, subsidiaries, branches, factories, etc.; Each Supplier is also responsible for immediately reporting any cases of direct or indirect employment of minors and at the same time for initiating a remediation plan aimed at the immediate discontinuation of such activities and the implementation of

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support measures which must also include coverage of any costs necessary to ensure the well-being of the minor.

### **Prohibition of forced, compulsory and mandatory labour.**

In any activity connected to the supply of goods and/or services to IBSA, each Supplier must guarantee that it does not employ individuals under a forced or compulsory labour arrangement, to be understood as **“any work or service extorted from a person under threat of a punishment, or for which said person has not offered themselves voluntarily”**. By accepting the contents of this Code, each Supplier strongly opposes and firmly condemns any form of modern slavery, forced labour in a prison environment, debt bondage, forced labour, as well as any form of human trafficking.

Suppliers must also ensure that each member of the workforce enjoys complete freedom of movement, is free from physical restrictions, abuse or threats, and is not subject to practices such as the confiscation of identity documents, assets, employment certificates or other similar documentation.

To this end, each Supplier shall verify that every member of the workforce employed in the business activity can at any time carry out his/her work activity freely, fully aware of the working conditions and that they receive timely, regular and adequate remuneration. Each Supplier is responsible for implementing all the necessary measures aimed at preventing, identifying, combating and reporting any forced labour practices that may emerge, contribute to or be linked to their commercial activities or the supply chain, and for supporting, including economically, the education and information of all personnel in order to prevent them from becoming victims of forced or compulsory labour.

### **Promotion of diversity, inclusion and suitable treatment in the work environment.**

IBSA adopts a “zero tolerance” policy towards any form of conscious or unconscious discrimination, in particular if it is attributable to irrelevant characteristics such as race, nationality of origin, gender, age, physical aspect, social origin, disability, trade union membership, religion, marital status, pregnancy, sexual orientation, gender identity, gender expression and/or any other

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criterion that is illegal under current law.

Each Supplier undertakes to adopt proactive measures ensure equal opportunities for all personnel employed in their business activities, regardless of the nature and duration of the contractual relationship, and not to discriminate, either during recruitment or throughout the entire employment relationship and to actively pursue **equal pay for equal work without gender distinction**.

Each Supplier is also required to ensure a work environment free from threats or severe and inhuman treatment that includes sexual harassment and/or abuse, corporal punishment, mental or physical or moral coercion, verbal abuse towards workers. Each Supplier is responsible for implementing and verifying compliance with adequate policies and procedures so that all individuals can carry out their work correctly and without the risk of retaliatory, intimidating or discriminatory practices.

IBSA reserves the right to verify that Suppliers tangibly implement an inclusive and supportive working environment and to orient the choice of new partners towards these corporate realities.

## **Fair pay and working hours.**

In line with the Conventions of the International Labour Organisation and the applicable national and international regulations regarding fair pay, overtime, night work, mandatory benefits, maternity protection and rest, all Suppliers undertake to recognise fair and competitive pay for all employees. They must also provide for the implementation and maintenance of mechanisms for calculating and recalculating wages so that they are always proportionate to the quality and quantity of the work performed, including by identifying minimum salary thresholds.

In addition, Suppliers are required not to impose salary deductions as a form of disciplinary sanction and they must comply with the national regulatory framework – and with any collective agreements – regarding compliance with working hours, including by providing working hours monitoring systems. These activities are useful tools for pursuing a balance between work life and personal needs.

Finally, each Supplier must strive to provide all individuals employed in work activities with concrete tools for reporting any failure to comply with working hours and the right to rest.



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## **Freedom of association and collective bargaining.**

Each Supplier must respect the rights of all persons employed in the work activities, as established by the applicable national and international laws regarding freedom of association, collective bargaining, membership or non-membership of trade unions (or equivalent forms), ensuring and promoting all forms of representation and unions at work and prohibiting any form of discrimination and retaliation against those who act as employee representatives.

IBSA supports all forms of open communication and direct involvement of workers in the management of workplace disputes and promotes Suppliers that adopt participation systems conducive to developing and maintaining positive and constant dialogue between the company and its workforce.

## **Local communities and minorities.**

Suppliers must ensure respect for the rights of local communities and minorities in the areas around their sites, through practical forms of direct participation and by ensuring that all business activities respect the

territory, its cultural and social traditions and current biodiversity.

IBSA adopts a “zero tolerance” approach towards any form of implementation of unlawful production facilities or provision of services that are carried out to the detriment of vulnerable indigenous groups.

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# Section 2 – Corporate Integrity and Ethics

As a fundamental element for the development and implementation of a responsible and sustainable business model, IBSA requires all its Suppliers not to limit themselves to the provisions of the applicable sector regulations, but to go further, by operating in all geographical areas with honesty, integrity, ethics and in accordance with the highest national and international Anti-Corruption standards.

Ethical standards encompass the following elements:

## **Business integrity.**

IBSA prohibits corruption without exception and requires each Supplier to categorically condemn and also

report any form of extortion, fraud or money laundering.

Suppliers are prohibited from engaging in any form of “active corruption” and/or “passive corruption”<sup>1</sup> and must refrain from engaging in actions or conduct that may even be just interpreted as corrupt practices and/or unlawful favours.

Each Supplier undertakes to apply the provisions of the national and international Anti-Corruption regulations and to effectively prevent corrupt conduct of any type, both direct and indirect, including in the form of incitement.

The rules and more generally every applicable principle, rule or standard must be ensured both in relationships with business partners, as well as with employees and IBSA personnel.

## **Fair competition**

IBSA recognises and promotes freedom and fair competition between businesses as a tool for market stability and growth in consumer well-being.

Each Supplier must comply with the applicable competition law rules and

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<sup>1</sup> **Active Corruption:** offering, promising, giving, paying, soliciting, authorising someone to give or pay, directly or indirectly, including through a third party, an economic advantage or other benefit to a Public Official or to a private individual. **Passive Corruption:** accepting the

request from, or a solicitation from, or authorising/soliciting someone to accept, directly or indirectly, including through a third party, an economic advantage or other benefit from any counterparty.

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must not enter into agreements or engage in practices aimed at distorting competition.

Suppliers and more generally any third party employed in carrying out the Supplier's activities, are required to ensure a constant commitment to upholding fair and dynamic competition and avoiding (and if necessary reporting) any potential or real conflict of interest.

## **Identification of suspected irregularities**

Each Supplier undertakes to make available to its employees the necessary tools for reporting possible irregularities or potentially illegal activities. Each report must be handled in the strictest confidence, with careful assessment of the details and the adoption of corrective measures where necessary. These actions support the desire to establish and maintain an organisational culture based on integrity and constant vigilance to ensure legality.

## **Privacy and intellectual property.**

IBSA protects the privacy and security of personal data for each category of data subject affected by its data processing operations.

All Suppliers are required to build a system of technical and organisational measures aimed at protecting privacy, as well as to comply with both the national and international legislative requirements in force regarding the protection of personal data. In this regard, Suppliers must set up an effective organisational structure and implement suitable processes and procedures to ensure the security of personal data in order to prevent any loss of data availability, confidentiality and integrity.

All Suppliers undertake to respect the intellectual property rights, to protect the trade secrets and confidential information of IBSA and its customers if these become known by reason of the services covered by the supply relationship.

All Suppliers must also refrain from using the IBSA name or any other trademark/patent owned by the IBSA Group in any form without prior authorisation.

## **Animal protection**

IBSA recognises animal welfare and identifies the protection of terrestrial and marine biodiversity as a key principle in conducting business activities.

Each Supplier that provides for the use of tests on animals in activities connected to the provision of a

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service in the name and on behalf of IBSA must provide prior notice. This must also contain every possible detail concerning the possibility of using scientifically valid alternatives. Exclusively in cases where tests on animals are necessary in order not to compromise the quality or safety of IBSA products, each Supplier undertakes to reduce their use to a minimum and to follow the most protective scientifically valid protocol, as well as to comply with all applicable laws, IBSA guidelines or AAALAC accreditation.

### **Minerals from conflict areas.**

Suppliers must ensure they have systems in place that allow them to carry out due diligence within their supply chain regarding the use of minerals and metals from conflict areas. Furthermore, they must implement and maintain due diligence processes that trace the origin of the raw materials throughout the entire supply chain, ensuring compliance with legal and sustainable sourcing requirements.



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# Section 3 – Environment

Suppliers are required to operate responsibly towards the environment, by adopting efficient practices in the use of resources. The environmental aspects included are:

## Environmental compliance

Suppliers must have processes and systems that comply with applicable environmental laws and regulations. They must obtain the necessary environmental authorisations, licences, information records and observe the relevant restrictions, in accordance with operational and reporting requirements.

**Suppliers undertake to implement environmental management systems compliant with the international standard ISO 14001:2015.**

## Waste

Suppliers must implement procedures to ensure that the handling, movement, storage, recycling, reuse and management of waste, air emissions and wastewater are carried out safely and in compliance with current legislation.

More generally, Suppliers must appropriately manage, measure, control and handle all activities that could have harmful effects on human health or the environment before any release.

In addition, Suppliers are committed to reducing waste production through a transition to the circular economy.

## Climate protection and emissions

Suppliers are committed to protecting the climate by reducing greenhouse gas emissions caused by their operations and in their supply chains. Where requested, Suppliers must be able to provide their organisation's carbon footprint.

Suppliers must also ensure compliance with the limits established by legislation regarding emissions into the atmosphere, noise and light pollution.

## Management of chemicals

Suppliers undertake to use chemicals responsibly, minimising those that are harmful to the environment and/or human health. Suppliers are responsible for defining and implementing procedures for managing chemical substances throughout the entire supply chain. Furthermore, Suppliers shall submit documents proving the responsible

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management and use of chemical products, when requested.

## **Biodiversity**

Suppliers shall implement the necessary precautions to ensure the preservation of biodiversity in all activities and throughout the entire supply chain.

When starting new activities or expanding existing ones, Suppliers shall endeavour to adopt measures to protect high conservation value areas and to promote biodiversity.

## **Water and wastewater**

Suppliers undertake to adopt measures to minimise the impact on water resources, reducing their use and ensuring the quality of the aquifers. Where requested, Suppliers must provide evidence of their water footprint.

Suppliers shall ensure that water treatment and discharge operations are compliant with the regulations and are aimed at reducing emissions of chemical and polluting substances.

## **Energy efficiency**

Suppliers undertake to limit overall energy consumption to a minimum and to adopt virtuous measures such as the use of low-consumption

activities and the use of renewable sources and fuels.

Suppliers must limit as far as possible the use of rare resources (such as natural gas and oil) and of steadily declining resources (such as water and wood).

## **Sustainable packaging**

Each Supplier undertakes to keep the environmental impact of packaging to a minimum. With a view to constant eco-design, Suppliers shall follow sustainability principles such as: eliminating unnecessary packaging, preferring the use of recycled materials, reducing the quantity of materials used – particularly of those from non-renewable sources – and encouraging the reuse or recycling of packaging.

## **Emergency management**

Suppliers are required to implement highly efficient operating systems that can adequately prevent and manage leaks and discharges into the environment, while simultaneously ensuring that negative impacts on the social fabric of the community in which they operate are limited to the utmost.

## **Mandatory actions**

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Suppliers shall implement a system of regular controls of the activities that have an impact on the environment, with the aim of monitoring and assessing such activities, but, most importantly, with the ultimate objective of reducing these.

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# Section 4 – Quality, Health & Safety

Suppliers are required to create a safe, healthy working environment and to comply with high quality standards in all company processes. Quality, Health and Safety-related elements include:

## Quality requirements

Suppliers must ensure that the supply of goods and/or services rendered complies with the quality requirements recognised or established in the contract. To this end, adequate operating procedures and instructions must be implemented and updated.

## Regulations concerning quality, health and safety

Suppliers are required to comply with current legislation on quality, health and safety. They shall ensure that they obtain, maintain and update all required permits, licences and registrations. Furthermore, Suppliers shall strive to obtain ISO 9001:2015

(or similar) certifications for Quality Management and ISO 45001:2018 for Workplace Health and Safety Management.

## Process and product safety

Suppliers are required to implement safety programmes that monitor and ensure the safety of all phases of the production process.

In case of use of hazardous substances, the relative safety data sheets and other relevant information will be made available to IBSA.

## Health and safety at work

Suppliers undertake to safeguard the health and safety of employees, contractors and anyone who comes into contact with the hazards arising from their work. Among other things, Suppliers must: i) adopt adequate preventive technical and organisational measures; ii) provide workers with adequate personal protective equipment; iii) carry out the necessary training and information activities on the general and specific risks associated with the work activity; iv) implement regular checks on processes and activities; v) provide for remedial actions in the event of accidents or *near misses*.

## Emergency management

Suppliers must adopt all necessary measures to control risk situations in



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the event of an emergency and give instructions so that, in the event of serious hazards, damage to people and property is avoided.

### **Mandatory actions**

In any case, Suppliers shall adopt an internal audit plan in order to ensure compliance with the requirements established by law and by any certifications obtained. Suppliers must train and inform all employees clearly and adequately about the risks deriving from carrying out their work activities.

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# Section 5 – Governance & Management Systems

Each Supplier undertakes to adopt management systems that ensure compliance with this Code and are also aimed at stimulating constant improvement with the expectations expressed herein.

These elements include:

## **Commitment and responsibility**

All Suppliers are required to comply with the principles and requirements set out in this Code throughout their entire supply chain, incorporating all relevant aspects and implementing all necessary actions within their company management systems.

## **Legal requirements**

Suppliers undertake to recognise and comply with all applicable international, national and local laws, regulations and conventions, as well

as with the contractual agreements and the agreed standards for procurement process management.

## **Risk management**

Suppliers must ensure that they have suitable mechanisms in place to identify and manage the risks involved in all the issues covered by this document. These tools must be reviewed at least once a year or as needed in the case of particularly serious cases or when the risk situation has significantly changed or increased.

## **Documentation**

Suppliers must ensure that they make available all the documentation necessary to demonstrate compliance with the principles set out in this Code

## **Due diligence, Transparency and Traceability**

IBSA will adopt a series of checks and due diligence tools to ensure that Suppliers (at all levels of the supply chain) comply with the requirements and principles set out in this Code. These tools include a due diligence (or qualification) questionnaire, to be completed by selected Suppliers.

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IBSA reserves the right to accept certain supply chain certification standards in lieu of a third-party audit.

## **Reports and corrective actions**

Each Supplier must promptly report any risk or breach of this Code to IBSA and immediately take corrective measures. IBSA reserves the right to undertake any action necessary to resolve the breach. In this case, each Supplier undertakes to ensure full cooperation.

Where a Supplier does not act upon or does not resolve a discovered and/or notified breach, IBSA reserves the right to withdraw from any contractual obligation, even without notice, and to demand compensation for any financial and non-financial damage suffered.

All Suppliers and their employees are required to communicate any hypothetical, even suspected, breach of this Code whether it refers to their company or concerns the supply chain.

## **Continuous improvement**

All Suppliers shall demonstrate their commitment to continuously improving the standards outlined in this Code by establishing performance objectives, carrying out implementation plans and taking corrective actions as necessary in

response to deficiencies identified through both internal and external audits, inspections and management reviews.

## **Effective training and communication**

Each Supplier must implement training programmes for its employees, to ensure awareness of the contents of this document as well as of the regulatory references and principles on which it is based. These actions aim to stimulate and ensure the achievement of its full application and improvement.

Each Supplier undertakes to adopt every necessary action to pursue sharing and knowledge of the contents of this Code with the third parties involved in the supply chain.

## **Supplier diversity**

All recipients of this Code of Conduct undertake to involve socially and economically different categories of Suppliers in order to ensure equality of opportunity.

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# Conclusions

Sustainability requires a collective effort that extends well beyond the perimeter of the individual company.

The principles and provisions set out in this Code of Conduct have the objective of guiding the implementation of virtuous partnership models. Only in this way will it be possible to build a future in which production processes are not oriented exclusively by business logic, but positively contribute to the improvement of the environment and of society as a whole.



## Regulations

- C138 – Minimum Age Convention, 1973;
- C182 – Worst Forms of Child Labour Convention, 1999;
- C29 – Forced or Compulsory Labour Convention, 1930;
- Protocol 29 relating to the Forced or Compulsory Labour Convention, 2014;
- Universal Declaration of Human Rights;
- C26 – Minimum Wage-Fixing Convention, 1928;
- C131 – Minimum Wage-Fixing Convention;
- The Convention on Combating Bribery of Foreign Public Officials in International Business Transactions signed in Paris on 17 December 1997;
- United Nations Convention against Corruption, adopted by the General Assembly on 31 October 2003 and ratified in Italy with Law no. 116 of 2009;
- the European Union Convention “Council of Europe Convention Against Corruption” of 2002 and the related working group “Groupe d’Etats contre la Corruption / Group of States against Corruption” (GRECO) established within the Council of Europe, which is binding for the Member States of the European Union;

- Article 101(1) TFEU;
- Article 102(1) TFEU

## References

- [United Nations Global Compact](#)
- [Universal Declaration on Human Rights](#)
- [UN Guiding Principles on Business and Human Rights \(UNGPs\)](#)
- [International Labour Standards \(ILO\)](#)
- [OECD Guidelines for Multinational Enterprises on Responsible Business Conduct](#)
- [OECD Guiding Principles for Chemical Accident, Prevention, Preparedness and Response](#)
- [The PSCI Principles for Responsible Supply Chain Management \(2023 version 3.0\)](#)
- [Globally Harmonized System of Classification and Labelling of Chemicals \(GHS\)](#)

## Updates and revisions

This Code was approved by the Board of Directors of IBSA Institut Biochimique S.A. on June 2024, 12 and represents the first version of the document.