



# Code of Ethics of FARMAK, a.s. v1

## FARMAK, a.s.

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Obchodní rejstřík | Krajský soud v Ostravě | Spis. zn. B. 457  
Business Register | The Regional Court in Ostrava | Reg. No. B.457

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## 1 PURPOSE

The company "FARMAK, a.s." (hereinafter referred to as "FARMAK"), its employees and responsible persons as well as persons acting on behalf of or for FARMAK promote an ethical behaviour and feel the need to develop positive relationships with business partners and customers, develop fair business relations and do not participate in criminal activities. To this end, they accept, recognise and share this Code of Ethics of FARMAK (hereinafter referred to as the "Code of Ethics") as an expression of respect for the generally accepted ethical principles, rules and legal regulations.

This Code of Ethics applies to all employees and responsible persons as well as persons acting on behalf of or for FARMAK and contractual suppliers of FARMAK.

Working at FARMAK entails obligations to comply with laws, corporate standards, procedures, regulations, guidelines and principles, to take good care of the corporate property and the environment, and to always behave in a safe, environment-friendly and ethical manner. To meet these obligations, the Code of Ethics sets out principles and standards that guide the way we work. It provides a set of comprehensive ethical and legal guidelines to help everyone at FARMAK better understand the basic rules that apply - and their personal responsibility to follow them. Only through ethical and predictable actions does FARMAK gain the trust of customers, investors, shareholders, colleagues and suppliers.

There may be situations where the instructions in this Code differ according to the local laws or customs of the particular country where FARMAK does business. In cases where local laws or customs set higher standards than the laws and customs set forth in the Code of Ethics, the local laws and customs always apply. If, on the other hand, higher standards are set by the Code of Ethics, it must be followed.

## 2 FARMAK AND ITS EMPLOYEES

### **FARMAK undertakes to comply with the rules according to which it:**

1. Fully respects the rights of its employees and recognises their privacy, personal values and needs,
2. Promotes good working practices, including, but not limited to, the free choice of employment, prevention of child labour, prevention of forced labour, freedom of association, does not practice any form of exploitation or slavery and/or practices that restrict the free movement of employees,
3. Applies zero tolerance for harassment and all forms of discrimination in the following areas:
  - Gender,
  - Gender identity,
  - Age,
  - Origin,
  - Religion,
  - Sexual orientation,
  - Physical appearance,
  - Health,
  - Invalidity,
  - Activity of trade unions,
  - Political views,
  - Nationality,
  - Family situation.

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4. Prohibits all forms of harassment (such as physical, sexual, psychological, verbal or other) and retaliation,
5. Prohibits any conduct that may adversely affect human dignity,
6. Actively makes available all information that employees should know or need to know about their work,
7. Actively supports the regular training of its employees,
8. Still provides an adequate and motivating work environment,
9. Properly ensures the necessary safety and health protection at work, values health,
10. Recruits new employees on the basis of fair competitions; employees are recruited according to their qualifications, abilities and skills,
11. Promotes equal opportunities for every employee, access to training, remuneration and career development. The only factors it considers are skills, experience and personal competence,
12. Appreciates and welcomes diversity and equal opportunities because it believes that people's different identities are a source of strengths and a key component of success,
13. Prohibits work under the influence of drugs and alcohol,
14. Fairly rewards its employees for their work and provides employee benefits as far as possible.

**Employees undertake to comply with the rules in relation to FARMAK according to which they :**

1. Always act in favour of FARMAK and in such a way as not to damage the reputation of FARMAK; they are obliged to respect and protect its reputation,
2. Conscientiously observe not only the applicable legal regulations, but also the internal regulations and undertake to actively ascertain the applicability of the relevant regulations that they need for the performance of their work,
3. Manage the entrusted property with due care and they do not misuse the means entrusted to them for their private purposes,
4. Prevent the possibility of conflicts of their interest with the interests of FARMAK or its partners, in particular they may not use their position at FARMAK, the information obtained or business contacts gained during work for FARMAK to enrich themselves or others and/or perform work for suppliers and competitors; in case of a conflict they will never prefer their own or, to be more specific, personal interest and will immediately inform their superior,
5. Maintain confidentiality and protect FARMAK's know-how, even after the employment termination,
6. Never offer, promise or give gifts and other undue advantages to third parties or persons and, do not accept or ask for them, except in the case of promotional items or small gifts or entertainment in the ordinary course of business,
7. Take care of their professional growth,
8. Without undue delay, they report a suspicion of a serious violation of the Code of Ethics, violation of criminal law, as well as other legal regulations, to their superior or through the Box of Trust,
9. Make proper use of the working time to carry out the tasks assigned to them and approach their work conscientiously,
10. Are obliged to refuse acts or activities, by which they could commit a criminal offence, breach the applicable legal regulations or internal standards of FARMAK,
11. Observe the company's dress code.

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**Employees undertake to comply with the rules in relation to each other according to which:**

1. They treat their colleagues with respect, respect each other's rights and do not bother them with inadmissible proposals,
2. Smoking is allowed only in designated areas,
3. Respect the views of others and communicate with each other in a friendly manner,
4. Superiors avoid any harassment of employees; this also applies to subordinates in relation to their superior,
5. Superiors trust their subordinates, give them clear and achievable goals and promote a sense of responsibility in them,
6. They avoid prejudice against the views, appearance or attitudes of their colleagues,
7. They create a positive work environment.

**Employees are further entitled to:**

1. Ask for training that will deepen their qualifications or that is related to the position held,
2. Submit complaints, proposals, suggestions and make other submissions drawing attention to unethical conduct or proposing measures for improvement to their superior or through the Box of Trust, concerning, for example:
  - Suspicion of a criminal offence being committed,
  - Breach of legal regulations,
  - Violation of the Code of Ethics of FARMAK,
  - Actions supporting corruption or actual corruption behaviour,
  - Squaring up with colleagues or business partners,
  - Provision of unethical and false information,
  - Proposed measure for improvement or other submissions.

FARMAK ensures that such submissions are treated in confidence. It is also possible to report other facts that the employee considers relevant.

If an employee finds himself/herself in a situation which raises any doubts in this area, he/she may ask himself/herself the following questions:

1. Am I violating any laws, the Codes of Ethics, regulations or procedures?
2. Do I treat others as I would like others to treat me?
3. Will I owe anyone anything in return?
4. Could my decision seem inappropriate if it were published in the media?

If any of the FARMAK's employees has any doubts or believes in good faith that a law, regulation, procedure, standard, or any of the principles of the Code of Ethics is or may be violated, it is his/her responsibility to report the doubt in one of the following ways:

1. To a superior employee,
2. Through the Box of Trust that is located before the entry to the HR Department.

Employees who report doubts will not be subject to any disciplinary action or discrimination in any way if they act in good faith and without intent to harm, even if the reported facts turn out to be untrue or no action is taken.

When the reported allegations are confirmed during the investigation, FARMAK will address them through corrective or disciplinary actions and legal proceedings if it deems necessary.

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### 3 BEHAVIOUR IN BUSINESS RELATIONS

1. FARMAK, as well as its individual employees and responsible persons, always perform high quality and professional work so that customers are satisfied. FARMAK produces high quality products for which it is fully responsible.
2. FARMAK acts in such a way as not to harm customers and business partners.
3. When offering their services to customers and business partners, FARMAK and its employees and responsible persons communicate true, undistorted and complete information, provided in a clear and comprehensible form. They also answer all customer questions in the same way.
4. FARMAK undertakes not to disclose, without the consent of customers or business partners, any confidential information about them, unless otherwise provided by law.
5. FARMAK and its employees and responsible persons always deal with customers and business partners professionally, politely and helpfully, correctly, with due professional care and build mutual trust.
6. FARMAK maintains trade secrets and respects the confidentiality of information about its customers and business partners.
7. FARMAK reports any problem with the quality, safety or efficacy of a FARMAK product, regardless of the nature or severity of the situation.
8. FARMAK observes the rules of fair competition and does not abuse its market position. FARMAK undertakes not to enter into any agreement restricting or distorting competition.
9. FARMAK also does not damage or use in any way the reputation of the competition and does not try to obtain information about the business of the competition in an illicit way.

As part of ethical conduct in business relations, every FARMAK employee must be vigilant and apply appropriate behaviour in situations where his/her business judgment may be affected, in particular in the following situations:

1. Work for a supplier or customer of FARMAK or receiving compensation from such a person,
2. Maintaining a financial interest or relationship with a FARMAK's competitor, customer or supplier or with any third party that does business with FARMAK,
3. Acquisition or ownership, direct or indirect, of any property interest or assets of any kind for the purpose of sale or lease of such property to FARMAK,
4. Negotiating personal benefits from a third party in order to influence FARMAK's decision in favour of such third party,
5. Purchase of goods or services on behalf of FARMAK from a relative or from a company where the relative has any interest.

#### **FARMAK employees adhere to the following principles in business relations:**

1. They inform of any actual or potential conflict of interest before engaging in a transaction, activity or relationship leading to a situation that needs to be reported,
2. They inform of any actual or potential conflict of interest, if he/she is an exposed employee of FARMAK, which is the top management of FARMAK, who regularly engages in concluding contracts, purchasing, selling or providing services, materials, property or products,
3. They refrain from serving on the board of directors of any customer, supplier or competitor of FARMAK. The presence in an external board outside the professional duties of the FARMAK employee is possible after approval and must be limited to services compatible with his/her duties towards FARMAK,
4. They do not exchange information with competitors, directly or indirectly, through suppliers or other intermediaries, including the following:
  - Price range, pricing methods, price for goods and services or products, billing,

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- Promotional and invoicing conditions,
  - Profits or margins and discounts,
  - Sales conditions, marketing plans and strategies of our products,
  - Details of the industrial capacity, production and transport logistics,
  - Quality of products,
  - Plans for the future expansion, market division by regions, customers,
  - Tenders and the intention to participate in them or not,
  - Any sensitive and confidential information of major commercial importance,
5. They are prohibited, directly or indirectly, from offering or providing unauthorised benefits to third parties for the purpose of influencing or rewarding, accepting the service or benefit provided, except for ordinary symbolic gifts (e.g. stationery, key cases, writing pads, etc.) provided or received within normal business practice. In case of doubt as to whether the gift can be accepted, they request their superior for approval,
6. They are prohibited from giving, promising to donate or offering anything of value to any person for the purpose of influencing any decision. This prohibition also applies to indirect corruption, which means corrupt practices committed through a third party on behalf of FARMAK. Valuable items include, but are not limited to: cash, gifts, reimbursement of travel expenses, services, job offers, loans, donations or contributions, any valuable transfer, including a transfer at a nominal value.
7. They are prohibited from making facilitation payments, i.e. unofficial amounts paid to public officials to speed up their activities.

FARMAK has a zero tolerance for criminal offences committed by employees or responsible persons; they may not take part in any conduct related to corruption.

## **4 FARMAK AND PROHIBITION OF MONEY LAUNDERING, TERRORIST FINANCING**

FARMAK is committed to supporting the international fight against money laundering and terrorist financing and does not engage in actions that could be perceived as supporting these crimes. Whenever an employee suspects that a counterparty is attempting to use products or services for illegal purposes, such as money laundering or terrorist financing, he/she must report the situation immediately to a superior employee who will take appropriate action.

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## 5 MAINTENANCE OF HEALTH AND SAFETY, RESPECTING THE ENVIRONMENT AT FARMAK

FARMAK provides safe and healthy workplaces for all employees and follows the rules of the Responsible Care.

### FARMAK undertakes to:

1. Ensure the maintenance of health, quality of the working life and safety of employees. This commitment entails the continuous prevention and control of the physical, chemical and biological risks associated with its activities,
2. Save water and energy, reduce emissions and waste.

## 6 PROTECTION OF CONFIDENTIAL AND SENSITIVE INFORMATION AT FARMAK

Information is one of the most valuable assets. Protecting any confidential and sensitive information is essential. Protecting such information is a commitment that applies equally to information about FARMAK, employees and business partners. Improper use or disclosure of such information can cause serious damage to the reputation of FARMAK, business partners, suppliers and customers, weaken the competitiveness, and make FARMAK subject to legal liability.

### FARMAK, its employees and responsible persons and persons acting on behalf of or for FARMAK undertake:

1. To maintain confidentiality,
2. To be careful when dealing with confidential topics in an external environment (e.g. trains, planes, restaurants, conferences, seminars),
3. Not to underestimate and to immediately address any situation that indicates that the protection or confidentiality of sensitive data may have been violated (e.g. loss of documents, unusual requests for information, indication of a possible attack on information systems) by reporting it to a supervisor or the FARMAK management.

## 7 PROTECTION OF FARMAK'S REPUTATION ON SOCIAL NETWORKS

In recent years, the use of social networks has become part of everyday life. Posting or commenting on online content can easily affect the image and reputation of FARMAK, its employees or business partners. FARMAK employees must therefore act responsibly when using social networks. Communication on behalf of FARMAK about the company or its products is entrusted on social networks only to dedicated employees who are authorised to do so.

Protection of the FARMAK 's reputation requires that employees use social networks in a proper and responsible manner, both professionally and privately. This requirement applies to all digital media that can be used interactively, such as social networking sites (e.g. Facebook®, LinkedIn®, and Twitter®), blogs, and photo or video sharing sites. An employee who publishes online content or is active on social networks, even in private use, must keep in mind that this activity may be attributed to FARMAK and may adversely affect its reputation.

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**Employees, responsible persons and persons acting on behalf of or for FARMAK observe the following principles:**

1. They keep in mind that any information published on the Internet could affect the image and reputation of FARMAK,
2. They act responsibly when publishing information, statements or opinions on social networks. They do not comment on or discuss statements made by third parties or the general public about FARMAK's activities,
3. They notify the superior of any negative comment or Internet discussion on issues related to the activity or products of FARMAK,
4. They refer any questions by the media to the CEO,
5. If in doubt about these policies, they contact their supervisor or the HR manager.

## **8 FARMAK IN PUBLIC LIFE**

As part of its participation in public life, FARMAK acts transparently. No employee or representative of FARMAK may act or speak on public affairs as a representative of the company unless he/she is authorised to do so. Employees can participate in public life independently if their participation is a completely personal expression without any connection to FARMAK.

As a responsible company, FARMAK is involved in public life. This may include engaging in discussions on matters of public interest, making gifts or financial contributions to public and charitable organisations in support of their mission. In each of these activities, it always strives to make a positive contribution to public life and never hides these activities. It does not provide gifts or other benefits to for-profit organisations or organisations that do not comply with the principles set forth in this Code of Ethics. Sponsorship agreements and contracts of donation are always concluded in writing and under transparent conditions.

FARMAK always acts in accordance with the applicable laws. Only authorised persons may act in public on behalf of the company. No employee or representative of FARMAK has the authority to bind the company in any way to support a political party, politician or electoral candidate or to associate FARMAK with any political activities. FARMAK does not provide any gifts or unjustified benefits to political parties, political movements or politically active persons.

## **9 CONCLUSION**

FARMAK, its employees and responsible persons as well as persons acting on behalf of or for FARMAK undertake to comply with all principles set forth in this Code of Ethics in their activities and in their work. They try to apply the same principles with respect to external entities (suppliers, business partners).

FARMAK is aware that the Code of Ethics needs to be continuously amended, developed and updated.

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