

Tools and Models of Kedrion's Ethics Management System

In responding to the need to divulge and consolidate its culture of transparency and integrity, as well as being aware of the importance of guaranteeing conditions of correctness when carrying out its business activities in order to safeguard its position and image and the expectations of its Stakeholders, Kedrion has adopted an **Ethics Management System** (“**System**” hereafter).

In synthesis, **the two focal points of this System are:**

1. **Organisational Structure:** which operates on the basis of specific regulations and guarantees the performance and efficacy of the System; since 2004 the Company Board of Directors has to this end nominated the following Organs:
 - Ethics Officer, including the responsibility of the Corporate Responsibility System in compliance with SA8000 standard
 - Internal Auditing including the function of Risk Analysis.

The Board has also appointed:

- a Company Surveillance Body which, in accordance with Italian Legislative Decree n. 231 dated 08.06.2001 (art.6 lett.b), has been vested with the necessary powers and responsibilities to carry out its functions effectively and correctly as laid down by the System which the Board of Directors has adopted
 - an Ethics Committee to act as advisory body and consultant on matters which have an ethical impact.
- The Global Legal Office oversees Kedrion's Antitrust Compliance Programme, with the support of the Internal Audit in auditing and supervisory matters, and also of the other Organs where necessary.

2. **Appropriate Management Tools** which constitute the System:
 - Code of Ethics
 - Corporate Responsibility System on ethics within the relations with Kedrion employees and its supply chain in compliance with SA8000 standard – certified by an accredited third party body
 - Global Compact's ten principles regarding human rights, labour, the environment and the fight against corruption
 - Model of Organisation Management and Control in accordance with Italian Legislative Decree n. 231/2001 “Administrative liability regulation of corporate entities, companies and associations, including those which are not bodies corporate, on the application of art. 11 of Law 29.9.2000, no. 300”
 - Health and Safety Management System, in accordance with OHSAS18001 standard – certified by accredited third party body
 - Environmental Management System, in compliance with the current regulations, the Eco Management and Audit Scheme (EMAS) and ISO 14001 Standard – certified by accredited third party body
 - Medical & Scientific Information System in compliance with the Guidelines issued by Farindustria – certified by accredited third party body
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- Quality/Safety Assurance Systems in compliance with pharmaceutical industry “best practices” (Good Manufacturing Practices, Good Distribution Practices, Good Laboratory Practices, Good Clinical Practices)
 - Quality Management System in accordance with ISO 9001- certified by accredited third party body
 - Antitrust Compliance Program
 - Financial Statement Process Control and Management System in accordance with the criteria and principles of Law n. 262/2005
 - Corporate Transfer Pricing Policy in compliance with specific regulations
 - Group Cash Pooling and Treasury Policy System
 - Management Control System and System for Defining, Approving, Monitoring and Auditing Annual Budget and Multi-year Plan
 - SAP management information system, system use and management regulation, validation system
 - Enterprise Risk Management Analysis
 - Responsibility and role assignment system; expenditure power, delegation and proxy assignment system; corporate organisational charts; job description
 - Staff and collaborator recruiting system
 - Employee performance assessment system and goal assignment
 - Payment policy and variable salary calculation and reporting system
 - Business Ethics Management Policy renewed by Kedrion every year through the issue of a specific document
 - System Internal and external communication activities
 - System training activities
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