

# CODE OF CONDUCT

## 1. Personal scope and the aim of the Code of Conduct

### 1.1. The aim of the code of conduct

The aim of this Code of Conduct of Hungaropharma Zrt. is to lay down the principles of behaviour of the corporate culture of our Company in a manner accessible to all and available to all as widely as possible, including publication. This Code includes the fundamental values and ethic norms underlying the operation of our Company and summarises the rules of behaviour expected by our Company.

### 1.2. The scope of the Code of Conduct

All employees of Hungaropharma Zrt. are obliged to comply with the rules laid down in the Code of Conduct.

The trading parties of our Company are also obliged to familiarise and comply with this Code of Conduct.

## 2. The values of Hungaropharma Zrt.

The main elements of the values of our Company are the followings:

### 2.1. Ethical trading practices

Hungaropharma Zrt. carries out its trading practices fairly and by paying attention to its environment. The company complies with the norms of human and civil rights and pays the utmost attention to those associated with our company in the course of our activities. In making our business decision, we seek to achieve economic result through paying attention to others and complying with norms in the highest level. We do not jeopardise the good reputation and fair opinion of our Company or the maintenance of fair competition.

### 2.2. Compliance with legal regulation and contracts

It is a fundamental requirement for our Company and our employees to act at all times in accordance with the relevant legal regulations, the norms of our trade and the ethic norms as well as commitments under contracts. The fundamental requirement according to which having a clean criminal record is a condition of employment for our employees serves the achievement of the goal above.

### 2.3. Expertise, professionalism and quality-orientation

In order to serve our Clients at the highest standards, we offer such services that we are able to provide in unimpaired quality. All these include that we avail of the appropriate expertise, all the required licenses and of sufficient infrastructure.

### 2.4. Reliability, efficiency, transparency

In order to make the operation of the management transparent, our Company establishes, applies and continuously improves the set of regulations of behaviour that determines the internal organisational structure of and the external relationships of our Company.

It is a fundamental expectation against our managers to strengthen, by setting personal examples, the organisational culture that is based on ethical behaviour and on compliance with rules.

## **2.5. Social responsibility**

### **2.5.1. Promoting economic and social development**

Our Company wishes to contribute to economic and social development that is based on the respect for fundamental human rights, the enforcement of national and universal human values and on the protection of the environment.

### **2.5.2. Action against the counterfeiting of medicines**

We are committed to the fight against the counterfeiting of medicines; the success of this fight is a pre-requisite of distributing medicines through channels that are closed and satisfy strict requirements. Thus we largely enforce all the relevant regulations and set of conditions and, report all anomalies perceived in this context to the competent institutions and authorities without delay. Our quality assurance system, as an important pillar of the fight against the counterfeiting of medicines and its theoretical and infrastructural foundations are under constant development.

### **2.5.3. Protection of the environment**

Our company is committed to the protection of the environment and is a partner in promoting the protection of the environment, understanding the questions of the protection of the environment and in spreading the practices related to it. We ensure that the impact of our activities to the environment is not excessive, and we take great care to reduce the impacts of our activities to the environment, we seek to save energy and we are engaged in the activity aiming to reduce the amount of waste and to recollect waste.

## **3. Norms of behaviour in internal and external communications**

### **3.1. Communication with the State and the representatives of state organs**

Due to its role and position in the system of the supply of medicines, the operation of Hungaropharma Zrt. is influenced by the State acting in different roles, such as client, the owner of clients (the hospital sector), controlling and supervising authority and regulation authority.

When having communication and technical works with the representatives of the State, the interests of Hungaropharma Zrt. shall be placed in focus and enforced, while giving priority to the safety of the activity of supplying medicines. In forming technical opinions in connection with State decisions and with regulating activities, the persons acting on behalf of Hungaropharma Zrt. shall seek to reach compromise solutions by means of convincing the other party.

### **3.2. Relationships with trading parties**

Our company establishes and maintains mutually beneficial business relationships with its suppliers, customers and other trading parties. We expect our trading parties to comply with business and ethical principles that are similar to ours. Therefore, our trading parties are expected to familiarise with the terms of our Code of Conduct, with the expectations, requirements laid down therein and to pay particular attention to the full compliance with the provisions on fair competition.

In case of orders or commissions by the State, we pay particular attention to comply with legal regulation on public procurement and unwritten ethical norms as fully as possible.

Our Company is not engaged in practices that are deemed unfair poaching of workers and this is expected from the competitors and trading parties of the Company as well.

### **3.3. Relationships with competitors**

Our Company is committed to lively and fair competition and complies with the relevant norms of competition law at all times. Fair competition may result in more favourable prices, wider range of offers, higher quality and innovation. In market competition, the undertakings shall adopt their strategic decisions independently of each other, therefore the managers and employees of our Company shall not engage in negotiations or shall not conclude agreements which can be capable of restricting or excluding market competition by their nature or content. We do not seek to discover information related to our competitors which are valuable for us, but we use sources that are available to all. Furthermore, the market position and strength of our Company requires us to pay particular attention to the operation of the market and to our attitude and behaviour toward other market participants. In our advertisements, promotions we shall at all times pay attention to general and special provisions concerning our profession, whether these publications target our trading parties or target indirectly the consumers. Therefore, in the course of works in technical and trading associations, we take particular attention in discussions concerning the strategic decisions of our Company and the market.

Our company seeks to ensure that its contracting trading parties accept the contractual clause set out in the Annex to this Code of Conduct providing for them to familiarise with, accept and comply with this Code of Conduct.

### **3.4. Requirements concerning shareholders**

Our shareholders are provided with correct and reliable information on our activities, financial condition and performance in accordance with our statutory obligations.

### **3.5. Cooperation with controlling bodies and authorities**

Our company fully and compliantly cooperate at all times with the authorities and their representatives.

Hungaropharma Zrt. is committed in acting as a responsible organisation in its relationship with the State and governmental and local bodies. Hungaropharma Zrt. pays its taxes in time and pays attention to the transparency of its financial and accounting records and transactions.

### **3.6. Employees**

#### **3.6.1. The ethical behaviour of employees**

Our Company makes all efforts to provide a working environment which is governed by mutual trust and respect and in which all employees feel responsibility for the good performance and good reputation of the Company. In this regard, all employees are expected and under the obligation to familiarise with and comply with the provisions of this Code of Conduct during their activities.

#### **3.6.2. Prohibition of negative discrimination**

We pay particular attention to prevent and to eliminate discrimination on grounds of age, sex, familial status, nationality or ethnicity, religion and on other grounds.

Our employees are recruited, employed and promoted exclusively on the ground of their qualification required for their work and their skills.

### **3.6.3. Development of skills, healthy and safe working environment**

In cooperation with our employees, we improve and promote the fulfillment of the individual skills and abilities of our employees in order to ensure that our employees contribute to the excellent performance of our Company.

We undertake to provide a safe and healthy working environment. Health and work safety is a strategic priority of our Company.

### **3.6.4. Prohibition of harassment**

We respect the dignity of the individual and the freedom of association of the employees. All forms of harassment against our employees, individual or in group, are deemed unacceptable and actions are taken against it.

### **3.6.5. Promotion of interest representation**

We accept and promote the activities of organisations and trade unions of employees and are committed to ensure that our employees can express their opinions and assert their interests through their organisations of interest representation.

Our Company considers it important to have effective communication with its employees through communications channels and consultation mechanisms.

## **3.7. The rules of behaviour in relationships with the institutes of society**

According to the possibilities, our Company promote the cultural, sport, cultural and other public interest objectives of its broader and direct environment.

Our company do not promote parties or organisations the activities of which serve party interests.

## **3.8. Trustworthy practices**

Our Company does not accept or provide, either directly or indirectly, unfair advantage for the purpose of business, market or financial advantage.

Our employees shall not offer or accept gifts or other benefits for the purpose of business, market or financial advantages. Means of courtesy in business life, i.e. minor gifts or modest hospitality are acceptable only if are of minor value, do not question the integrity or good reputation of either party and are capable of being considered by third parties as attempts to have unlawful advantage.

Offers that do not comply with the above shall be reported to the respective superior without delay.

## **3.9. Conflict of interests, incompatibility**

The employees are expected to refrain from personal activities and financial interests that may be contrary to their commitments to the workplace. The employees of the Company shall not take advantage for themselves or for others by using, in violation of this Code of Conduct, the possibilities arising from their position at the Company.

When establishing and maintaining business relationships, the employees shall act subject to objective conditions and criteria only. Business decisions shall not be

affected by private interests, familial or other personal relationships, that is no one involved in incompatibility shall participate in decision-making.

Incompatibility arises in each cases when the empolyee concerned, the family member of the employee or any third person close to the employee may take any personal advantage through the position of the employee at Hungaropharma Zrt. That is why participating in decision-making or attempting to influence decision-making shall be prohibited in case of incompatibility or the possibility of incompatibility or in case of any other circumstance on the basis of which the integrity of the empoyee concerned may be questioned.

Incompatibility or the lack thereof shall be assessed by the employee concerned, in consideration of the given circumstances, and the employee shall notify his/her superior if incompatibility is found.

#### **4. Proceeding for the violation of the Code of Conduct**

Should any employee become aware of a violation of this Code of Conduct, he or she shall report the violation to his or her superior immediately.

If it is not possible, the employee, even without revealing his or her identity, shall submit the report to the General Manager. The report may be submitted to the following contacts managed by the Directorate of the Human Resources:

- by post: 1368 Budapest, Pf. 243.
- electronic means: [etika@hungaropharma.hu](mailto:etika@hungaropharma.hu)
- telephone: 06/1-327-6777

The reporting person is entitled to protection, and the reporting person acting in good faith shall not be subject to detrimental legal consequences under labour law or otherwise.

All matters arising from the interpretation or application of this Code of Conduct shall be forwarded to the Directorate of Human Recources.

If becoming aware of a violation of this Code of Conduct, the General Manager shall arrange for the required labour law or other preventive measure following the conclusion of the appropriate consultations.

Our partners engaging in business relationship with out Company may also report to the contact above any violation of the provisions of this Code of Conduct discovered during any transactions.

#### **5. Approval and familiarisation with the Code of Conduct**

##### **5.1. Rules on the approval and familiarisation with the Code of Conduct**

The Code of Conduct is approved by the general manager of Hungaropharma Zrt. and all employees shall comply with it. For this purpose, all employees shall be familiarise with the Code of Conduct, and new employess shall be notified of its existence and availability on the webiste of Hungaropharma Zrt. and in Quality Management System (QMS) when entering the company.

New employees, as a condition for employment, shall express their consent to be bound by the Code of Conduct. The text of the Code of Conduct shall be made available

to all employees after its approval, and it shall be published on the website or in the internal information system of the company.

**5.2. Code of the industry**

The provisions of this Code of Conduct are in accordance with the text of the Code of Conduct approved by the Hungarian Association of Pharmaceutical Wholesalers on 15 April 2004 and consolidated with the modifications adopted on 17 November 2011, and the Company expresses its consent to be bound by this Code of Conduct.

Approved by dr. Feller Antal, General Manager of Hungaropharma Zrt.  
15 January 2017

## Annex 1

Contractual clause proposed to be applied in the sample contract for contracts to be concluded in relation to the core activity of Hungaropharma Zrt.

XXX, as trading party of HPH Zrt. declares to have acknowledged and to accept the Code of Conduct of Hungaropharma Gyógyszerkereskedelmi Zártkörűen Működő Részvénytársaság ([http:// http://www.hungaropharma.hu/cegunkrol/etikaikodex](http://www.hungaropharma.hu/cegunkrol/etikaikodex)) and expresses his or her consent to be bound by it during this legal relationship. He or she declares to cooperate with the representatives of HPH Zrt. in case of disputes. He or she undertakes to report the conduct(s) of persons acting on behalf of HPH Zrt. that are in breach of the Code of Conduct to the contacts indicated in the Code of Conduct.