



Pierre Fabre

PURCHASING CHARTER

Pierre Fabre Group

**For a responsible, profitable
customer/supplier relationship**

September 2021

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1. RESPONSIBILITY AND COMMITMENTS

Corporate social responsibility (CSR) is a core concern of the Pierre Fabre group. Our objective is to ensure that our everyday commitment to CSR is shared with all our partners and specifically our suppliers, service providers, and subcontractors.



To that end, our **Purchasing Charter** is part of the reference framework provided by the **Group's Ethics Charter** to address the Purchasing function specifically. It also drives the Group to demand from its suppliers optimum economic performance, quality of service, security of supply, innovation, and international openness through a balanced relationship based on trust and mutual respect.

In designing, developing, and marketing healthcare products and dermo-cosmetics, the Pierre Fabre group has very high standards in terms of ethics, quality, and regulatory compliance. In addition, the Group is proud of its regional roots in Occitania, especially in the department of Tarn, where it was founded. It maintains lasting business relationships with companies of all sizes and supports the local economic fabric by encouraging its suppliers and partners to set up locally. At

the same time, the Group wishes to collaborate with companies allowing it to respond efficiently to the highly international, competitive dimension of its activities.

The Pierre Fabre group has defined the principles governing its purchasing policy so that it can be implemented jointly by its buyers within the Purchasing function, by all its employees (in France and in its subsidiaries), and by its suppliers and subcontractors, with the aim of establishing a mutually responsible and profitable customer/supplier relationship.

With this in mind, in January 2011, the Group signed onto the Responsible Supplier Relations Charter of the French credit mediation agency and the Company of Leaders and Buyers of France (CDAF) in order to be part of an initiative to make progress with its suppliers in this sense.



2. GENERAL OBJECTIVES OF THE PURCHASING POLICY

The guidelines of the Purchasing policy are as follows:

- Develop partnerships with our strategic suppliers, generators of performance with regard to cost, quality, time, and innovation
- Control supplier risks to secure the activities of the Business Units
- Ensure the security of supplies
- Contribute to maximising the company's results by optimising the cost/value ratio of our purchases
- Contribute effectively to achieving the Group's strategic objectives in Quality and Logistics
- Develop strategies to reduce financial immobilisation and cycle times
- Contribute to the Group's CSR policy through a responsible and ethical purchasing policy, primarily promoting the development of short supply chains or fair trade
- Support the company's international development, in particular by implementing global supplier strategies
- Implement standardised, formalised purchasing processes and procedures across the Group.



3. RELATIONS WITH SUPPLIERS

3.1 General framework

- The Group seeks long-term performance based on close, lasting relationships with suppliers adhering to the Group's purchasing policy and capable of providing both security of supply and innovation. It aims to develop its international presence by relying on suppliers capable of supporting this expansion and, at the same time, maintain a significant tie to its regional and national roots.
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- In this context, implementing the provisions of the Ethics Charter of the Group, the buyer, in its relations with suppliers:
 - Applies clear selection criteria,
 - Treats suppliers fairly,
 - Strictly complies with applicable competition laws,
 - Never involves its personal interests and instead does its utmost to bar any potential situation of conflict of interests,
 - Prioritises suppliers offering the best compromise between prices, quality of services or products, innovation, safety, international openness, and compliance with the Group's CSR commitments,
 - Maintains a climate of trust and mutual respect with the supplier,
 - Ensures the confidentiality of data relating to suppliers, especially with regard to third-party companies using the same suppliers as the Pierre Fabre group,
 - Systematically informs suppliers that are not selected,

- Pays particular attention to suppliers committed to sustainable development and social and environmental responsibility.



3.2 Ethical rules on non-contractual relations with suppliers

In accordance with the provisions of the Group's Ethics Charter, Pierre Fabre employees, whether they are buyers or not, must always adopt a strictly professional attitude of respect and independence in order to avoid any risk of conflict of interest or corruption.

Employees of the Pierre Fabre group are not permitted to receive money from suppliers under any circumstances. All Group employees are prohibited from directly or indirectly soliciting or receiving any personal advantage of any kind whatsoever from a supplier, such as gifts, discounts, rebates, invitations, or travel.

However, the Group's Code of Conduct tolerates the following :

<p>Courtesy gifts valued up to 30 euros or the equivalent in local currency and within a limit of three year per third party.</p>	<p>Business meals if they can help strengthen the climate of trust that the Group wishes to establish with its suppliers. However, they must be limited to what is strictly necessary based on the potential interest for the Pierre Fabre group, not exceed a value of 60 euros (or its equivalent in local currency), and remain within a limit of three per year and per third party.</p>
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It is possible to go to the supplier's facility for a factory visit or a technical audit if absolutely necessary for a period consistent with the professional nature of this type of action. Grouping a leisure trip with the beginning or end of business travel is strictly prohibited.

Participation in any promotional activity organised by suppliers that would provide a personal and individual benefit is forbidden.

Any refusal by an employee in this situation must be communicated politely to the suppliers, thanking them for the gesture but indicating the Group's internal rules of transparency and ethics.

Lastly, in order to prevent any risk of conflict of interests, buyers or business line experts must inform their superiors of any relationship (kinship or other, in particular in the form of direct or indirect financial stakes, etc.) that they may have with a supplier.

If a buyer or any other member of the Pierre Fabre group's staff directly or indirectly solicits any undue advantage from the supplier's staff in connection with entering into new contracts or with renewing or extending existing contracts, this behaviour would violate the Pierre Fabre group's Ethics Charter and Code of Conduct. The supplier should report the matter as soon as possible to the Group's Ethics and Compliance Department by e-mail at the following address:

compliance.pf@pierre-fabre.com



3.3 Respect for ethical rules relating to labour law

The Pierre Fabre group wants to ensure that suppliers comply with the rules of ethics in labour law and that they carry out their due diligence with their own suppliers and subcontractors. In particular, this principle covers the rules of the International Labour Organization Conventions on forced labour, undeclared work, child labour, worker safety, equal opportunities, and freedom of association. Whenever deemed necessary and for the purpose of complying with its own due diligence obligations, the Pierre Fabre group ensures that its suppliers meet their commitments in this area. If necessary, a stipulation in the contract between them and the Pierre Fabre group will formalise these commitments.



3.4 Environmental issues

Environmental issues are integrated throughout the Purchasing process in accordance with the Group's CSR policy. As such, the Purchasing function systematically assesses the environmental impact of its activities and decisions by seeking to:

- Anticipate sustainable development issues by assessing the environmental impacts of the Purchasing policy,
- Actively contribute to the implementation of the initiatives undertaken by the Group as a corporate citizen with respect to its CSR policy,
- Assess the adherence of its suppliers and buyers to the CSR policy.



3.5 Payment terms

The Pierre Fabre group is committed to complying with payment terms defined contractually or indicated in the General Terms and Conditions of Sale or Purchase, which must strictly comply with applicable laws and regulations.



4. PIERRE FABRE GROUP'S EXPECTATIONS OF ITS SUPPLIERS

In addition to adherence to the general principles in its Ethics Charter, the Pierre Fabre group expects its suppliers to make the following commitments :

- Deliver products and/or services in accordance with the prices, lead times, and quality levels established when contracts are made,
- Develop a policy of innovation and continuous improvement to optimise the Pierre Fabre group's competitive advantages,
- Adhere to the Pierre Fabre group's Responsible Purchasing Policy, respond to the Group's CSR evaluation requests, and promote this CSR policy among their own suppliers and subcontractors,
- Adopt the most transparent approach possible with the Pierre Fabre group with regard to their prices and costs and the assessment of their performance,
- Treat the Pierre Fabre group fairly relative to its competitors,
- Participate in the various assessments initiated by the Pierre Fabre group and implement any resulting action plans,
- Recognise that adherence to the principles of this Charter is an essential part of the commercial relationship. If a supplier is unable to comply with some of these provisions, it must inform the Pierre Fabre entity concerned to plan a set of corrective measures along with a schedule. Failure to comply with one of these principles could constitute a cause to terminate the commercial relationship.

Reminder of Group Internal Alert System
compliance.pf@pierre-fabre.com



Pierre Fabre

September 2021
Group Purchasing Department