

# **RESPONSIBLE PURCHASING CHARTER**

**Pierre Fabre Group**

***For a customer – supplier relationship  
Responsible and profitable***

**December 2024**

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# 1. RESPONSIBILITY AND COMMITMENTS

Corporate social responsibility (CSR) is at the heart of the Pierre Fabre Group's project. It engages us on a daily basis and must be shared with all of our partners and specifically our suppliers, service providers and subcontractors.

The Responsible Purchasing Charter is thus part of the reference framework constituted by the Group's Ethics Charter to deal specifically with the Purchasing function. It also leads the Pierre Fabre Group seeks with its supplier's optimum economic performance, quality of service, security of supply, innovation and international openness through a relationship based on trust and mutual respect.

Designing, developing and marketing health and dermo-cosmetics products, the Pierre Fabre Group sets very high standards in terms of ethics, quality and regulatory compliance. Furthermore, the Pierre Fabre Group is proud of its regional roots in Occitanie and more particularly in the Tarn department where it was born. It maintains lasting business relationships with companies of all sizes and supports the local economic fabric by encouraging the establishment of its suppliers and partners there. At the same time, the Pierre Fabre Group intends to collaborate with companies that enable it to respond efficiently to the highly international and competitive dimension of its activities.

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

With this in mind, the Pierre Fabre Group joined, in January 2011, to the "Supplier Relations & Responsible Purchasing" Charter (RFAR) of the Business Mediator with the National Purchasing Council (CNA) in order to be part of a process of progress with its suppliers.

## 2. GENERAL OBJECTIVES OF THE RESPONSIBLE PURCHASING CHARTER

The guidelines of the Responsible Purchasing charter are based on the purchasing policy of the Pierre Fabre Group and are as follows:

- Develop partnerships with our strategic suppliers, generators of Cost/Quality/Delay and Innovation (CQDI) and sustainable development (SD) performance.

This eco/socio-responsible Green Mission Pierre Fabre commitment to sustainably innovate for the benefit of nature and people is based on 5 action levers:

- Innovate sustainably by drawing inspiration from nature,
  - Protect the environment around us,
  - Respect our partners, our collaborators and their territories,
  - Guarantee the quality and durability of our products and the ethics of our practices,
  - Engage our employees, our sites, our subsidiaries, our brands and our stakeholders.
- Control supplier risks in order to secure the activities of the Pierre Fabre Group,
  - Ensuring the security of supplies,
  - Contribute to maximizing the company's results through optimization of the cost/value ratio of our purchases,
  - Contribute effectively to achieving the Group's strategic objectives in terms of Quality and Logistics,
  - Develop strategies aimed at reducing financial immobilization and cycle times,
  - Contribute to the Group's CSR policy through a responsible and ethical purchasing policy, promoting for example the development of short circuit or fair trade supply chains contributing to the Group's carbon and eco-design strategies, and meeting the requirements regulatory requirements arising from the European Green Deal (formerly the European Regulation on Imported Deforestation) or the requirements of the Group's major CSR projects (e.g. RSPO ("Round Table on Sustainable Palm Oil ", Responsible Digital),
  - Support the international development of the company through the implementation of global supplier strategies,
  - Implement standardized and formalized responsible purchasing processes and procedures across the Group as part of a responsible approach,

## 3. RELATIONS WITH SUPPLIER

### 3.1 *General framework*

The Group seeks sustainable performance based, in particular, on close and transparent relationships with suppliers sensitive to the Pierre Fabre Group's Responsible Purchasing policy and capable of providing both security of supply and innovation and a response to our needs. quality and CSR objectives.

The Pierre Fabre Group is developing its international presence, relying on suppliers capable of supporting this expansion, while maintaining a significant link with its regional and national roots.

In this context, implementing the provisions of the Pierre Fabre Group Ethics Charter, the buyer, in its relationship with suppliers:

- Is based on prior and clear selection criteria,
- Treats suppliers fairly and ensures transparency and objectivity in each consultation,
- Strictly complies with applicable legislation, particularly regarding competition,
- Never involves his personal interest and withdraws from the file in the event of a risk of conflict of interest which he must also declare,
- Pays particular attention to suppliers committing to sustainable development and social and environmental responsibility,
- Favors suppliers offering the best compromise between price , quality of services or products, innovation, security, international openness and respect for the CSR commitments of the Pierre Fabre Group,
- Maintains with the supplier a climate of trust and mutual respect, in particular with the management of the supplier company, and in particular its manager, who will be invited in this logic to give his client the necessary visibility on his activity, and this in particular in order to avoid any situation of abuse of economic dependence,
- Commits to seeking the development of forecast purchasing management to give visibility to suppliers by communicating in advance order stops and forecast levels of medium and long-term activity and thus promote the adaptation of capacities ,
- Commits to seeking the protection of the sector by avoiding, as far as possible, suddenly reintegrating operations in times of crisis, and being attentive to maintaining the subcontracting capacities and know-how which will be necessary at the time recovery and development,
- Remain attentive to the consolidation of production sectors, both in the event of international development opportunities and in the event of relocation on a national or European level,
- Part of an open and collaborative innovation approach with potential suppliers, in particular by establishing a close and regular dialogue,
- Ensures the confidentiality of data internally (not distributed to people who do not need it for projects) and externally in general and according to the level of protection required,
- Systematically informs suppliers who are not selected in the context of sourcing and calls for tenders.

### **3.2 *Assessment of all costs and impacts of the purchasing life cycle***

To assess the best offer, the Pierre FABRE Group endeavors to take into account:

- all the components of the cost (do not only compare the price of the good or service, but integrate all the additional costs) such as:
  - the associated logistics costs supported (transport, storage, etc.),
  - the duration of technical development with back and forths,
  - training and skills acquisition time,
  - after-sales costs for equivalent services rendered,
  - the costs of quality and CSR audits.
- the overall vision of the life cycle in the context of direct purchases.
- all risks contributing to total costs in the supply chain, such as:
  - supply disruptions,
  - the conformity of products and services,
  - all risks linked to the handling of disputes and the fight against corruption,
  - currency fluctuations,
  - social, health and (geo)political risks, not covered by insurance,
  - the reliability of after-sales service and possible consequences in terms of operating losses and impact on the company's image.
- Cost analysis comparing the production of a component, the provision of a service or a product internally (" make ") or externally (" buy ").

### **3.3 Ethical rules concerning extra-contractual relations with suppliers**

In accordance with the stipulations of the Group's Ethics Charter, Pierre Fabre employees, whether they are buyers or not, must adopt, in all circumstances, towards the Group's partners, a strictly professional attitude marked by respect and of independence in order to avoid, in particular, any risk of conflict of interest or corruption.

Employees of the Pierre Fabre Group cannot under any circumstances receive money from suppliers. Any employee of the Group is prohibited, directly or indirectly, from requesting any personal advantage from a supplier of any nature whatsoever: gifts, discounts, rebates, invitations or travel. Any acceptance of gifts or invitations from suppliers must strictly comply with the Group's rules regarding gifts and invitations stipulated in the Pierre Fabre Group Code of Conduct.

Thus, in accordance with the provisions of the Code of Conduct, the following are permitted:

- So-called courtesy gifts, that is to say when they are limited in value (less than or equal to 40 euros or its equivalent in local currency) and remain within the limit of three per year and per third party (except in the event of call for tenders throughout its duration until the award of the contract).
- Professional meals if they can help strengthen the climate of trust that the Group wishes to establish with its suppliers. They must, however, be limited to what is strictly necessary depending on the potential interest for the Pierre Fabre Group, not exceed a value of 70 euros (or its equivalent in local currency), and remain within a limit of three per year and per third party. .

It is possible to make a trip to the supplier for a factory visit or a technical audit if it is absolutely necessary and for a duration consistent with the professional nature of this type of action. Grouping with a leisure trip before or after the trip is strictly prohibited.

It is prohibited to participate in any promotional activity organized by suppliers which would provide personal and individual benefit.

Any refusal that an employee may have to express under the aforementioned Group rules must be communicated in a courteous manner to suppliers, thanking the intention and highlighting the said internal rules of transparency and ethics of the Group .

It is prohibited for an employee to physically participate in a call for tenders in the presence of a potential or proven conflict of interest to which this employee would be exposed (ex-spouse belonging to a company solicited, etc.), in order to prevent any risk of conflict interests, buyers or business experts must inform their superiors of any link (kinship or other, particularly in the form of direct or indirect financial participation, etc.) that they may have with a supplier.

In the event of solicitation of any undue advantage by the buyer or any other member of the Pierre Fabre Group's personnel, directly or indirectly, from the supplier's personnel in relation to the conclusion of new contracts or the renewal or extension of contracts existing, the supplier must report, as soon as possible, this behavior contrary to the Ethics Charter and the Code of Conduct of the Pierre Fabre Group. To this end, the supplier is asked to contact the Group's Ethics and Compliance Department at the following address: <https://pierre-fabre-speakup.whisppli.com/lp/reporting>

### **3.4 Compliance with ethical rules related to labor law**

The Pierre Fabre Group is keen to ensure that suppliers respect the ethical rules relating to labor law and that they do their due diligence with their own suppliers and subcontractors. This principle covers in particular the rules resulting from the Conventions of the International Labor Organization relating to forced labor, clandestine work, child labor, employee safety, equal opportunities and freedom of association. Whenever this is deemed necessary and in order to comply with its own obligations in terms of duty of vigilance, the Pierre Fabre Group ensures with suppliers the commitments they make in this respect; if necessary, a stipulation in the contract binding them to the Pierre Fabre Group will formalize these commitments.

### **3.5 *Identify and manage situations of mutual dependencies with suppliers***

The excessive weight of a customer in a company's activity can be a risk factor in the event of a sudden change in order volumes. As a result, the buyer encourages its suppliers to commit to positive actions and initiatives for its organization (diversification, internationalization, digitalization, improvement of know-how, etc.).

If it proves necessary, the possible disengagement of a supplier is anticipated and progressive in order to take into account the length of relations with the organization, where applicable, the degree of dependence, its possibilities to diversify or to expand. 'adapt.

Conversely, a supplier who is in fact a monopoly can put supplies or the response to a customer's needs at risk. The latter will then logically want one or more source(s) of supply, which could be expressed within the framework of the negotiation, for example in the form of transfer of license normally remunerated.

### **3.6 *Environmental and societal issues***

Environmental issues are integrated throughout the purchasing process in compliance with the Pierre Fabre Group's CSR policy. Thus, the Purchasing Function ensures that it systematically assesses the environmental, societal and social impact of its activities and decisions and to this end seeks to:

- Anticipate sustainable development issues by measuring the environmental impacts of purchasing policy,
- Actively contribute to the implementation of initiatives undertaken by the Group as a corporate citizen under its CSR policy , and taking into account double materiality: impact materiality encompassing all the impacts of the Group on its stakeholders and financial materiality making it possible to assess the risks and opportunities linked to the company's environmental and societal issues,
- Measure the adherence of its suppliers as well as its buyers to the said CSR policy via an engagement with a world leader in measuring the CSR commitment of our suppliers on four criteria: environment, social and human rights, ethics and responsible purchasing. These CSR criteria carry significant weight in the stages of the purchasing process: RFI, RFP, supplier rating, annual performance.

Buyers are objectified on the monitoring of the CSR commitment and are trained/aware of these issues so that they receive remuneration consistent with all the commitments made by adhering to this Charter.

### **3.7    *Payment Terms***

The Pierre Fabre Group undertakes to respect the payment conditions as contractually defined or failing that as indicated in the General Conditions of Sale or Purchase, which must strictly comply with the applicable legislative and regulatory provisions .

## **4. PIERRE FABRE GROUP'S EXPECTATIONS TOWARDS ITS SUPPLIERS**

In addition to raising awareness of the general principles contained in its Ethics Charter, the Pierre Fabre Group expects its suppliers to commit to:

- Deliver the products and/or services in accordance with the prices, deadlines and quality levels defined in the contractual commitments,
- Develop a policy of innovation and continuous improvement likely to optimize the competitive advantages of the Pierre Fabre group,
- Adhere to the Pierre Fabre Group's Responsible Purchasing policy, respond to the Group's CSR evaluation requests and ensure the promotion of said CSR policy among their own suppliers and subcontractors,
- Adopt the most transparent approach possible with the Pierre Fabre Group regarding their prices and costs and the evaluation of their performance, in compliance with the constraints of competition law ,
- Treat the Pierre Fabre Group fairly compared to its competitors,
- Participate in the various evaluations which the Pierre Fabre Group may be at the origin of and implement any resulting action plans,
- Recognize that respect for the principles set out in this Charter is an essential element of the commercial relationship.
- Alert the Pierre Fabre Group if the share of turnover achieved with the Pierre Fabre Group is 20% or more.

The Pierre Fabre Group therefore asks its suppliers to sign this Charter,

Supplier commitment XXX

Supplier contact:

Name:

Company stamp :

Name of signatory :

Function of the signatory:

Signature :

Date :

The supplier has the possibility of attaching documents detailing its actions (charters, certifications, labels, etc.).