



CODE OF ETHICS - 2017



**PROFARMA**  
DRIVEN BY MORE, READY FOR MORE

# MESSAGE FROM THE ETHICS COMMITTEE

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“We are honest and act with integrity.” This is one of our Beliefs that represents the Group Profarma’s commitment to ethical behavior and respect among professionals.

Another new feature of this version is that it was created with the support of a group of employees from various departments who made important contributions to this effort. They shared their experiences and points of view in roundtable discussions to ensure the drafting of a document that is more connected to our actual situation.

The code disseminates the rules that will guide our organizational conduct. We believe they translate the manner in which we conduct our business: what is permitted and what isn’t permitted what we accept and what we renounce. This Code, however, does not cover all situations that may arise. Whenever they do, the Ethics Committee is responsible for clarifying them.



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# 1 - Application and scope

This Code of Ethics is applicable to all companies of the Profarma Group.

The Code contains the general rules of ethical conduct that must be observed by members of the Board of Directors and its Advisory Committees, the chief executive officer and other officers, employees, interns, suppliers, clients and any other persons acting on behalf of the Profarma Group. It prevails over and serves as a guideline for all policies and standards in force.



## 2 - Fundamental principles

The fundamental principles of the Profarma Group are:

- Respect life and care for the well-being, health and safety of people in the workplace and for all facilities and processes, while valuing all employees;
- Adopt the best practice of corporate governance, good accounting and management principles and practices, and clear and objective communication with shareholders, investors and capital markets;
- Offer an equal-opportunity workplace in which employees are treated fairly and with dignity and respect. The Profarma Group upholds equal opportunities for employees in all of its Human Resources policies;
- Achieve the corporate objectives with corporate social responsibility by acting conscientiously and responsibly in all of the social, economic and environmental aspects of its activities, by contributing to the development of local communities and by encouraging the exercise of citizenship;
- Comply with all applicable laws, rules, decisions and instructions issued by Brazilian authorities, other regulatory authorities, the Brazilian Securities and Exchange Commission (CVM), the stock exchange and the special segments in which Profarma's stock is listed for trade. Profarma, in the form of its controlling shareholders, managers, executives and Investor Relations department, is responsible for upholding transparency in its relationships with existing and potential shareholders. It must also provide clear and accurate information to shareholders in a timely and equitable manner.

The positive reputation and image of the Profarma Group is an asset of its shareholders, managers and employees and is the direct result of everyone's behavior and commitment in accordance with the principles established in this Code.

## 3 - Our beliefs and behavior

The Profarma Group believes that, in addition to the rules of conduct established by this Code, beliefs and behaviors translate our organizational culture and align employees with the foundations of our business. Our beliefs and behavior:

- Focus on the satisfaction of our commercial partners;
- Relentless pursuit of excellence;
- Openness to change;
- Never complacent by nature;
- We are honest and act with integrity;
- We recognize and value those who make a difference;
- We're proud of who we are and what we do.

## 4 - Rules of ethical conduct

### 1. The conduct expected by the Profarma Group includes:

1.1. Performing professional activities in accordance with the guidelines provided for in this Code and complying with all internal policies and rules in force;

1.2. Maintaining a positive professional attitude based on mutual respect, ethics, diligence, impartiality, honesty, transparency and cordiality in all relations with other employees, suppliers, service providers, clients and shareholders;

- 1.3. Vigorously defend the interests of the Profarma Group in all professional activities;
- 1.4. Mandatorily submit all documents (e.g., contracts, powers of attorney, declarations, settlement agreements, proposals) that refer to or could bind the companies of the Profarma Group to the Legal Department for review and approval;
- 1.5. Do not cultivate commercial relations with companies and individuals that do not observe the ethical standards of the Profarma Group and governing law;
- 1.6. Safeguard the assets of the Profarma Group, including its image, reputation, facilities, equipment and materials, while avoiding waste and unnecessary expenses and costs;
- 1.7. Avoid situations with the potential to create conflicts of interests with persons or companies who maintain or could come to have commercial relations with the Profarma Group, immediately communicating said situations to your immediate manager;
- 1.8. Ensure that all communications and information disclosed to shareholders and the capital markets are authorized and/or monitored exclusively by the Investor Relations Department and the Office of the Chief Executive Officer of Profarma;
- 1.9. Safeguard the confidentiality of any information received in the exercise of your function, regardless of the form in which it was received (verbally, electronic or physical means);
- 1.10. Act in strict conformity with the anti-bribery and anticorruption laws and observe the Anticorruption Policy of the Profarma Group;
- 1.11. Communicate and obtain approval from the Ethics Committee if you exercise any remunerated activity in parallel with the one performed at the Profarma Group;
- 1.12. Perform your activities in compliance with all workplace health and safety policies established in the internal procedures;

1.13. Use good sense and always ensure that personal relationships do not adversely affect the performance of your duties and the workplace;

1.14. Cooperate fully with all solicitations made by the government to ensure that all inspections and investigations are handled efficiently and in a coordinated manner. All solicitations from the government for information and compliance with subpoenas and search warrants must be communicated to the Legal Department of the Profarma Group to be duly handled and accompanied together with the areas involved;

1.15. Immediately communicate to the Ethics Committee, in writing and in a satisfactory manner, all discoveries, developments, improvements and inventions, regardless of whether or not they may be patented. All managers, directors and employees must attribute said discoveries, developments and inventions to the Profarma Group;

1.16. Comply with all applicable policies and rules when using electronic equipment and social and internal networks;

1.17. Correctly use uniforms, if applicable, and dress adequately for the workplace and always within the standards established by the Profarma Group;

1.18. Immediately communicate to your director the receipt of any gift or benefit from a supplier, business partner or otherwise obtained in connection with your work for the Profarma Group in order for it to be duly handled in accordance with the following guidelines:

- Value of up to three hundred reais (R\$300.00) - the director is responsible for determining if the gift will remain with the employee or if a drawing will be held among the members of the team or the entire unit;
- Value from three hundred reais (R\$300.00) to six hundred reais (R\$600.00) - the director is responsible for holding an internal drawing among the team or for using the gift in a motivational sales campaign;
- Value above R\$600.00 - the director is responsible for notifying the Ethics Committee to determine the gift's final destination.

## **2. The following conduct is unacceptable and subject to penalties or disciplinary action:**

2.1. Working under the effects of any illegal drugs or alcoholic beverages during the work shift or when in the service of the Profarma Group;

2.2. Practicing any type of repression, intimidation, sexual or moral harassment, libel, humiliation, defamation, violence or beneficial treatment, independent of the hierarchical position of the employee;

2.3. Discriminating or adopting any type of prejudiced conduct involving employees with regard to age, gender, race, creed, income class, physical conditions, sexual orientation, ascendants or descendants;

2.4. Practicing any acts to benefit third parties that have a direct relationship with the employee or his or her spouse or relatives;

2.5. Making statements on behalf of the Profarma Group or disclosing internal images of its facilities on social networks, except with the prior and express authorization of the Marketing Department;

2.6. Practicing any acts in benefit of third parties, especially those representing government agencies, directly or indirectly, in violation of Brazilian and international laws on the topic, such as Federal Law 12.846/2013 (“Brazilian Anticorruption Law”), the U.S. Foreign Corrupt Practices Act (FCPA), the UK Bribery Act (UKBA) and other legislation that prohibits offering, paying, soliciting or accepting bribes, commissions or improper gifts of any nature;

2.7. Disclosing information of any nature about the Profarma Group or its employees, even if informally, to suppliers, third-party service providers, competitors, family members and similar persons, whether for your own benefit or the benefit of third parties;

2.8. Hiring relatives to positions in which they are direct or indirect subordinates or that could characterize a conflict of interests with the Profarma Group;

2.9. Benefitting from privileged information received during the exercise of your professional activities in the sale or purchase of shares, directly or through third parties, or to guide the purchases or sales of other persons. The aforementioned relationship shall be based on the principles of equitable treatment of shareholders and the use of public information available to all and any stakeholder, and never based on the use of information that is privileged or that has not yet been widely disclosed, as required by law;

2.10. Making entries to and/or changing documents and systems that could produce distortions in the financial statements or managerial reports, or otherwise falsifying or creating inaccurate corporate records;

2.11. Providing internal information on the strategic plans of the Profarma Group to competitors, suppliers and clients;

2.12. Circulating and viewing messages with content that is pejorative, pornographic, religious or discriminatory, as well as storing them on the computers of the companies of the Profarma Group;

2.13. Making or sharing comments that are defamatory with the aim of denigrating the image of our competitors;

2.14. Practicing the exploitation of slave labor and the use of child labor, engaging in human trafficking and, further, maintaining commercial relations with suppliers, third-party service providers and clients that practice these types of exploitation;

2.15. Using personal equipment (such as laptops and tablets) to work at the companies of the Profarma Group and copying digital files and documents to external hard drives, pen drives or similar devices;

2.16. Disclosing to or discussing with third parties, or for any purpose not essential to your business activities, information on patients, such as medical condition, medical history and financial information, in violation of Law 1931/2009 of the Federal Medical Board;

2.17. Having knowledge of and not denouncing violations of this Code and of the policies in force using the communication channels for whistleblowing. All managers, directors and employees must cooperate with the investigation, which will be conducted internally or by an external company. All communications involving whistleblowing will be treated confidentially (as may be practical under the circumstances) to ensure that a proper and timely investigation may be conducted;

2.18. Negotiating with clients, suppliers, competitors and employees with an unfair advantage using manipulation, occultation, fraudulent presentation of the facts, abuse of privileged information or any other intentionally unfair commercial practice, including obtaining benefits for yourself or for third parties in negotiations with private and public companies;

2.19. Practicing fraudulent acts in their most diverse forms, which include, but are not limited to, the undue appropriation of assets, misappropriation or falsification, falsifying records or financial statements and manipulating or communicating unauthorized accounting transactions that are not in conformity with generally accepted accounting principles. In short, these acts have at their essence intentional misconduct and not only constitute violations of this Code, but also are subject to rigorous disciplinary actions. Fraudulent activities are illegal and violations are subject to potential civil and/or criminal liabilities;

2.20. Receiving donations and/or gifts in the form of money, with any exceptions determined by the Ethics Committee;

2.21. Performing professional activities in parallel to those performed at the Profarma Group at organizations that supply products, inputs, goods or services, whether they are clients, suppliers and/or competitors of one of the companies of the Profarma Group.

## 5 - Communication

Situations that characterize violations of this Code must be immediately forwarded to:

### **Profarma Distribution, Drogasmil, Farmalife and Tamoio**

- Contact the CEO - falecomopresidente@profarma.com.br
- Contact the Auditors - canal.auditoria@profarma.com.br
- Whistleblowing Channel - 0800 24 3000

### **Profarma Specialty (Distribution, Specialty Pharmacy e Patient Support Programs)**

- Network Hotline - international access code\* and then 800 870 4810
- Online Whistleblowing: [www.tnwgrc.com/profarma](http://www.tnwgrc.com/profarma)

For an updated list of the access codes of AT&T, go to [www.business.att.com/bt/access.jsp](http://www.business.att.com/bt/access.jsp)

Under no circumstances should the whistleblowing of any potential violations or improprieties be used to retaliate against or to intimidate any employee. All procedures to safeguard the rights of the whistleblower and alleged violator shall be observed, always in compliance with local legislation.

A list of communication channels for accessing the Ethics Committee of the Profarma Group follows:

### **Ethics Committee - Profarma Group**

- comite.etica@profarma.com.br
- cristiano.silva@profarma.com.br
- joao.macedo@profarma.com.br
- ingrid.perdigao@profarma.com.br

### **Investor Relations Directory**

- ri@profarma.com.br
- max\_fischer@profarma.com.br

### **Marketing Directory**

- ana\_fonseca@profarma.com.br

## 6 - Glossary

**Anticorruption laws and treaties** – The companies of the Profarma Group, including the vehicles managed directly and indirectly by it, are obligated to observe the anticorruption laws and treaties listed below:

- Federal Law 12.846, of August 1, 2013 – Brazilian law on the objective, administrative and civil liability of legal persons for practicing acts against the government, whether national or foreign;
- Foreign Corrupt Practices Act (FCPA) – law of the United States of America on corruption practices abroad;
- United Kingdom Bribery Act (UKBA) – law of the United Kingdom on bribery.

**Books and Inaccurate Records** – Are records, false documents, incorrect or misleading entry in books and company records of the Profarma Group. The books, the records and the company accounts need to accurately reflect all transactions.

**“Brazilian Anticorruption Law”** – Federal Law 12.846, sanctioned on August 1, 2013, that addresses the objective, administrative and civil liability of legal persons for practicing acts against the government, whether national or foreign.

**Bribe** – The means by which corruption is practiced, since it is the practice of promising, offering or paying an authority, government representative, government agent or professional from the private sector any amount of money or any other favors (from a bottle of liquor to jewelry, property or even travel packages) in order for the persons in question to abstain from ethical behavior in their professional duties.

**Conflict of interests** – A situation created by the confrontation of the interests of the agent and of the company that he or she represents that could compromise the interests of the Profarma Group. To characterize a conflict, the benefit must involve extra-professional interests.

**Corruption** – Any act or effect involving the bribery of one or more persons for the benefit of oneself or of third parties, generally by offering cash, gifts or other things of value.

**Economic Advantage** – It is about receiving money, goods, commission, gratification of any kind to get advantage in contracting services supplies and false statements.

**Ethics** – The set of moral principles that must be observed in the exercise of a profession. Ethics is the constant pursuit of coherence between discourse and practice, the alignment of what one believes with what one does. It brings with it the notion of what is right and what is wrong, which determines behaviors and decisions.

**External activities** – Any activity that generates a pecuniary benefit for employees or that may be characterized as a labor relationship with a company that is not part of the Profarma Group.

**Indicated or Recommended Service Providers** – Are providers indicated or recommended by public agencies and/or those exercise any kind of inappropriate influence about any person, public or not.

**Manipulation or Fraud** – Are acts of tampering fraud or manipulation of bids and contracts.

**Money Laundering** – It is about making use of the relationship with Profarma to hide or to try to hide the origin of illegally obtained funds.

**Moral Harassment** – Is the exposure of workers to humiliating and embarrassing situations during the work journey and in the exercise of their duties, in which negative conduct inhumane and long-lasting relationships predominate.

**Privileged information** – Material information to which employees have access and which is not yet public knowledge, for which reason it should not be negotiated with the aim of obtaining profits or advantages in the capital markets.

**Profarma Group** – Comprises Profarma Distribuidora de Produtos Farmacêuticos SA and its subsidiaries and affiliated companies, including Profarma Speciality Group, regardless of whether or not they are operational, in the three (3) segments: Distribution, Retailing and Specialties.



[www.profarma.com.br](http://www.profarma.com.br)

