



SARANTIS GROUP

CODE OF CONDUCT

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## 1. INTRODUCTION

The Code of Conduct sets conduct standards for all the Group's employees, as well as for the suppliers of goods and services. The Code's objective, is not to establish rules that govern any case, but to set the principles for the Group's operation and to clarify the context under which employees work when implementing their duties.

Some of the Code's principles emanate from laws or relevant regulative provisions. For this reason, non-compliance with such principles of the Code may lead to civil or even criminal responsibility of the violator.

Given that there is a case that the Code does not clearly cover, employees are required to seek assistance from the Group's Legal Service.

The Code has been designed to reinforce trust at all levels. Each employee must be encouraged and have the ability to act in accordance with it. The Code's principles are part of the employees' duties in the Group. Supervisors, in the context of proper performance of their responsibilities, must ensure that the Code's principles are applied from all their team members.

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## 2. HUMAN RIGHTS

Sarantis Group supports the U.N.'s Universal Declaration of Human Rights as well as other international standards on human rights (ILO, OECD, United Nations Universal Treaty).

Sarantis Group recognizes and adopts within its subsidiaries the specific social, environmental, conventional, institutional features that prevail in countries where it operates, to the extent that these do not contrast with the legal framework that governs the Parent company, the Memorandum of Associations of the Parent company, the policies, regulations and in general the culture of the Group.

The Group's fundamental values reflect its commitment to create an environment where all employees have equal opportunities for development and a meritocratic treatment according to their skills and qualifications.

Sarantis Group makes no discrimination due to race, religion, color, descent, age, special needs, sexual orientation, political views, gender or marital status.

As regards to issues of employment, hiring, remuneration and benefits, training, promotion, transfer and termination of employment, each employee is treated according to the applicable in each case law and in accordance with the Group's regulations, policies and culture.

No employee is subject to physical, sexual, racial, psychological, verbal or any other form of harassment or violence.

The Group does not hire individuals as employees with an age less than the minimum age stated by law.

The Group is against the use of forced or obligated labor and the management objects to all relevant practices.

The Group recognizes and promotes a healthy balance between working and personal life, while it respects the commitments its employees have outside the working environment. It recognizes the right for rest and free time and faithfully follows the laws that prevail at each facility in the country where it operates as regards to the mandatory time off, maternity leave as well as the other days off that relate to family commitments or to cases of force majeure.

### 2.1 WORKING PRACTICES

In Sarantis Group, employees are the most valuable capital. The Group's continuous development is founded on the effort, initiative, energy and creativity of employees. The Group offers opportunities for personal and professional advancement in a high quality, pleasant working environment that promotes and recognizes the participation and efforts of all employees.

The competitive and continuously changing environment in which the Group operates demands the adoption of a dynamic culture, that promotes innovation and high performance. The prospects, values, morals and the commitment to people together with the company's dynamic and ambitious character, render Sarantis Group a fascinating working environment for individuals that have ambition, vision and a spirit for creative work.

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## Training

The Group's objective is to continuously develop the knowledge and skills of its employees through training and specialization. The Group invests in its people by financing educational programs and seminars either within the company or through certified organizations and universities. In this manner the Group is always up to date and has the ability to adapt to current conditions at any time.

## Rewarding Performance

The Group operates based on a procedure that evaluates annual performance of employees. The procedure's objective is the specification and common acceptance of a path on which the Management's goals and visions converge with the efforts by employees. Moreover, the definition and description of qualitative and quantitative objectives which the relevant parties agree on and place their efforts and dynamics on.

The aim is to achieve cohesive business operation and effectiveness in business practices, as well as establishing a sense of justice amongst employees, given that equal efforts and results are evaluated in the same manner.

## Selection Process

The Group's employee selection and hiring process is based on objective criteria (qualifications of the candidate are taken into account together with the knowledge and experience required by the relevant position) as well as on principles and rules that ensure transparency and prudent qualitative evaluation of candidates.

The process aims at covering the requirements of the relevant position in the best possible manner, while at the same time offering fair remuneration in order to secure the highest possible performance by the newly employed, as well as his/her satisfaction from the working conditions.

## 2.2 HEALTH AND SAFETY

Sarantis Group sets the health as safety of its employees as a top priority. The Group's Health and Safety Policy is applied throughout the Group's facilities in and outside Greece, by the Group's employees as well as by third parties that provide services within its facilities.

The Group's management, with the responsibility of the Human Resources Division, manages and monitors the Health and Safety Policy in order to maintain and improve employee health and safety conditions in the Group's facilities when deemed necessary.

Each employee must exercise his/her duties with consistency as regards to the health and safety rules, while each supervisor is responsible to inform his/her underlings and to confirm adherence to the relevant rules by such, within his/her relevant areas of responsibility.

## 2.3 PROFESSIONAL DISCRIMINATION AND HARASSMENT

The Group is committed to offering its employees equal opportunities for development, regardless of their descent, religion, color, convictions, political views, gender, marital status, age, sexual orientation, special needs or disabilities, education or financial status.

The hiring and evaluation of employees is based on specific procedures that are applied always for all Group employees.

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Based on its fundamental values, the Group opposes to any kind of physical, sexual, racial, psychological, verbal or any other kind of harassment or violence against employees, while it completely complies with the relevant labor law in each country where it operates.

### **3. ENVIRONMENT**

#### **3.1 INTRODUCTION**

As part of the commitment for sustainable development, Sarantis Group has incorporated the environmental issues that concern protection of the environment as well as climate change, in its strategy and culture. These commitments cover protection of the environment and address climate change, through extensive use of renewable energy sources, more efficient use of energy in general and natural resources, minimization of waste production and rational waste management, as well as through producing products that harm the environment less, such as self-degradable plastic bags for multiple use etc.

The Group's objective consists in continuously improving its performance on issues of sustainable development beyond the obligations imposed by relevant legislation.

#### **3.2 ENVIRONMENTAL PROTECTION**

The basic production activities executed by the Parent company are applied at a modern self-owned factory that commenced full operations in 1998. The design and set-up of the unit includes state-of-the-art technologies for reducing environmental effects and use of renewable energy sources.

##### **Waste management of the Oinofyta factory**

All categories of the factory's liquid waste are directed to a central waste management system for processing before being disposed. Continuous controls are applied in accordance with the procedures followed.

All burners operate according to the regulatory requirements in effect by the emissions standards. Gas emissions are monitored and recorded on a continuous basis according to the relevant procedure.

Packaging waste is segregated before sending for recycling.

#### **3.3 SUSTAINABLE RESOURCE USE**

##### **Extensive use of renewable energy sources**

For the air conditioning of the total facilities in Oinofyta, including the factory and the distribution center, solar energy is used through a system that includes 1,200 solar panels and 2 solar cooling machines. This system began operating in 1998.

##### **Product development**

The Group develops and manufactures products that strictly adhere to the latest regulatory requirement of the EC as regards to safety and protection of the environment.

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## 4. **CONSUMER ISSUES**

### 4.1 **PROTECTION OF CONSUMER HEALTH AND SAFETY**

The Group produces high quality products, while production is carried out based on a Quality Control System. The quality and safety of the Group's products, as well as of products traded by the Group, are of the highest importance.

The Group takes all possible protection measures and conducts all the necessary quality controls on its products, in order to ensure the health and safety of consumers. Moreover, the highest hygiene standards and the most strict quality controls are applied at each stage of the production process. It also sees that it receives all the necessary certifications for raw materials and in general materials used in the production process, when required either by law or by the Group's internal processes. The Group has received the following certifications: ISO 9001 for the production of the SANITAS products (relevant information is available on the website [www.sanitas.com.gr](http://www.sanitas.com.gr)), ISO 22716 for the production and packaging of sun care products, hair care products, skin care products and perfumery products as well as ISO 9001 and ISO 13485 for the trade and distribution of medical devices for self-care and disposables.

It is noted that the protection offered by products covers both the intended use and the possible misuse of such. For this purpose, each packaging lists clear instructions for use.

Given the fact that not all risks can be foreseen, the Group has introduced measures for the protection of consumer safety and has incorporated mechanisms that activate the withdrawal or recall of an inappropriate product that was distributed to the market despite the safety measures.

The safety of the Group's products is ensured at the same time by internal processes, regardless of and in addition to those stipulated by the relevant legal framework in effect.

### 4.2 **FAIR MARKETING, REAL AND UNBIASED INFORMATION**

The Group communicates with Fair Marketing practices. Therefore, for each product it uses a communicative policy that includes true information that can be evidenced, is free from biases, does not turn against competitors and uses fair conventional practices in a manner that is comprehensible for the audience it addresses. This allows potential consumers to make decisions after receiving true information regarding the product.

### 4.3 **SUSTAINABLE CONSUMPTION**

The Group is moving towards the idea of sustainable consumption by attempting to reduce non-sustainable production and consumption standards.

In this context, the Group does not apply testing of its products on animals.

It takes into account the following principles and according to each case the Group is responsible to:

- Promote efficient education and to motivate consumers to understand the consequences of their choices of products or services for their prosperity and the environment. It provides practical advice on how to amend their consumer habits and make the necessary changes.

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- Offer consumers a socially and environmentally useful range of products and services taking into account the entire lifespan and the reduction of adverse effects on society and the environment. Such environmentally friendly series of products are indicatively the Green Line series of Sanitas and the personal care products Bioten.

The Parent company in particular participates in the local packaging and packaging waste management system, with top priority on preventing the creation of packaging waste and with fundamental principles the re-use of packaging, recycling and other forms of packaging waste recovery, as stipulated by the EC directive 94/62.

#### 4.4 CUSTOMER SERVICE – RESOLUTION OF PROBLEMS

The Group is responsible to have mechanisms for the customer support, collection of complaints and resolution of problems. For this reason, it proceeds with the following actions:

- Apart from the consumer line, the Group has created a team for house visits in case of product failures if required. The team consists of two specialized company employees, one on technical issues and the other on marketing issues.
- A specialized team operates in the factory and monitors and applies the regulatory framework, as such is stipulated by authorities such as the National Organization for Medicines and the Hellenic Food Authority.
- The Group finances audits applied by specialized external factories with the objective that the products cover their production specifications.
- It provides clear instructions to consumers in relation to the proper use, as well as how to handle cases where problems arise from the misuse of products.
- The satisfaction level of consumers is reviewed regularly through research applied by specialized providers.

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## 5. **SOCIAL PARTICIPATION AND SOCIAL DEVELOPMENT**

Sarantis Group participates in social activities for the improvement of environmental quality and the improvement of people’s quality of life. The company regularly sponsors products and relevant material to groups and social organizations that support environmental initiatives. It provides monetary resources, computers or other material to non-profit organizations and foundations to cover their needs. Also, it encourages its employees to actively participate in charitable projects and in environmental protection projects. Participation in the community and in local development are key objectives for the Group as they are integral to sustainable development. For this reason, the Group respects the following principles:

- The Group is part of the community as it touches on the issues of community participation and community development.
- The Group recognizes and takes into account the rights of community members as regards to decision making on matters that concern the community, thus ensuring maximization of community resources and opportunities for residents.
- The Group recognizes and takes into account the characteristics of the community in which it operates and specifically the culture, religion, traditions and history of the community.
- The Group recognizes the value of employment and supports the exchange of resources, experiences and efforts.

## 6. **THE GROUP’S OPERATION PRACTICES**

### 6.1 ANTI-CORRUPTION

The Group fully complies with the effective legislation on corruption. An employee that bribes while executing his/her duties is subject to civil and criminal penalties according to applicable law.

### 6.2 FAIR COMPETITION

The Group complies fully with Commercial Law and Law on Competition in all countries where it operates. The policies, regulations and procedures of the Group ensure its operation in a way that its activities are executed in accordance with law.

Each employee, when necessary and either in doubt or not, must consult the Group’s Legal Service on issues relating to applying Commercial Law and Law on Competition. Moreover, employees must directly inform the Group’s Legal Service in case they receive any notification from an authority responsible for anti-monopoly issues.

### 6.3 PROMOTING SOCIAL RESPONSIBILITY

The Group respects the Principles of Social Responsibility:

- i. Accountability. The Group is accountable for the effects its activity has on society, the economy and the environment. Therefore it accepts its review from organizations/bodies that operate according to Law.
- ii. Transparency. The Group must be transparent in its decisions and activities that have an impact on society and the environment.

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- iii. Ethical behavior. The Group conducts its activity based on the values of honesty, justice and integrity. Such values reflect interest for people, animals and the environment, as well as the commitment regarding handling effects from the Group's activities and decisions on the interests of stakeholders.
- iv. Respect for stakeholders' interest. The Group respects the interests, while it examines and responds to requests by stakeholders.
- v. Respect for the rule of law. The Group respects in all cases the legal framework it is governed by.
- vi. Respect for international norms of behavior. The Group respects international norms of behavior, to the extent that such do not object to the legal framework that governs the Parent company, the Memorandum of Association, the policies, regulations and in general the Group's culture.
- vii. Respect for human rights. The Group respects human rights and recognizes their importance and universality.

## **7. CORPORATE GOVERNANCE**

### **7.1 INTRODUCTION**

The Parent company is listed on the Athens Exchange. Therefore it is governed by Commercial Law of Société Anonyme Companies, as well as by the legal and regulatory framework of the Athens Stock Exchange and the Hellenic Capital Market Commission.

Information regarding Corporate Governance is provided in the Annual Report, beginning from the 2010 Annual Report, while the company's Corporate Governance Report is available on the company's website and specifically through the following link: <http://ir.sarantis.gr/el-gr/intro/our-responsibility>.

### **7.2 PROTECTION OF ASSETS**

Each employee is responsible, to the extent attributable to each one, for the rational use the Group's resources and assets. The latter include both intellectual property and any tangible fixed assets, product or merchandise, or service, or financial resources, used for the needs of the Group's commercial activity. The Group's assets and resources cannot be used for purposes other than corporate purposes, unless such use has been approved through the effective procedures.

Each employee must protect the Group's assets from decay apart from natural decay, destruction, loss, theft or wasteful use.

### **7.3 INFORMATION**

#### **7.3.1 PROTECTION OF INFORMATION**

The Group takes all the necessary measures and has established internal procedures in order to ensure the confidentiality of privileged information, as such is defined according to applicable law.

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Furthermore, all employees, to the extent attributable to each one, must take all the necessary measures for the safety and protection of confidential data and information.

Similarly, proper attention must be given also to management of personal information in order to avoid inappropriate exploitation or publication according to applicable law.

The obligation to maintain confidentiality also concerns any kind of advisor, or associate of the Group, while it is maintained even after the end of the employment relationship.

### 7.3.2 ACCURACY OF FINANCIAL INFORMATION

The Group has introduced and operates based on a specific financial information preparation and management system. This system has incorporated control mechanisms that ensure the production of financial information free from substantial inaccuracies due to fraud or error, within the timeframe imposed by regulatory authorities and also by the requirements of management. The system is evaluated and improved on a constant basis as the relevant requirements increase due to the increasing size of the Group.

For the purposes of audits (external or internal) each entry is accompanied by the necessary evidence that confirms such.

The published financial statements and reports must be prepared in accordance with the International Financial Reporting Standards, as such have been adopted by the European Union and must reasonable present from any material aspect and free from substantial inaccuracies, the picture of the Group’s financial position.

### 7.3.3 DISCLOSURE OF INFORMATION

The Group is subject to the relevant law that has been adjusted to the provisions of the European Council for the alignment of transparency conditions as regards to information. Therefore, the Group uses in each case all means stipulated by law (Athens Exchange website, information towards the Hellenic Capital Market Commission, analysts, corporate website) for providing announcements and data in Greek and English at the same time, using the relevant means each time.

Specifically, the corporate website ([www.sarantis.gr](http://www.sarantis.gr)) includes posted issues and information regarding financial data, information on corporate governance and the company management and other announcements relating to insider transactions, share buybacks, significant corporate news such as acquisitions, establishment of subsidiaries, sales of companies etc., and which are freely available to anyone interest.

The Investor Relations and Corporate Announcements department is responsible for the above issues.

## 7.4 CONFLICT OF INTERESTS ISSUES

The members of the Board of Directors and any third party to which the formers’ responsibilities have been assigned by the Board, are not permitted to pursue their own interests that conflict with the company’s interests. For this purpose, the Board of Directors specializes the obligations and establishes the procedures for announcing and disclosing conflict of interests of Board Members as well as of third parties to which Board

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responsibilities have been assigned. Such obligations are described in the Internal Operation Regulation.

#### 7.4.1 REWARDS APART FROM THOSE AGREED

Employees are not permitted to accept gifts or other awards from customers, suppliers or competitors of the Group. However, the acceptance of non-monetary gifts with small value is permitted in the context of normal business practices, given that such does not constitute violation of the law or the Group's regulation.

#### 7.4.2 POLITICAL ACTIVITIES

The Group respects the wishes of its employees to participate in common events. However in no case may those participating in common events make use of the company name for any reason.

Furthermore, each employee that may be involved in decision making through a governmental agency or public organization must not be involved in decision making process related to the Group.

### 7.5 INTERNAL CONTROL

#### 7.5.1 INTERNAL CONTROL AS A SYSTEM

The Internal Control System is defined as the overall procedures methods and mechanisms, the implementation of which is responsible by the board of directors, senior executives and in general all Group employees as regards to the corresponding duties, whereas it is designed to provide a desired level of assurance regarding the achievement of the following objectives:

- Risk management
- Prevention and identification of management anomalies and errors
- Efficiency and effectiveness of different operations
- Preservation of the corporate assets
- Reliability of financial statements and reports in general
- Compliance with management rules
- Compliance with applicable law and regulations

All those within the organization are responsible to control the work that correspond to such, the Board of Directors, senior executives, employees and the Internal Auditors.

The Group's Management is responsible for the introduction, application and monitoring of the control systems. The issues that concern the Group's internal control are as follows:

- Evaluation of the Group's possible risks.
- Introduction and maintenance of an appropriate control system.
- Implementation of the control systems.
- Monitoring and assessing the system.
- Providing relevant information.

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## 7.5.2 INTERNAL AUDIT DEPARTMENT

The internal audit department, as an independent objective and advisory service, conducts the evaluation of the control systems and monitors the application of its recommendations by the Group's Management.

The responsibilities of the Internal Audit department are described in the Internal Operation Regulation.

Employees must cooperate with the internal auditors and provide any information required by such for the conduct of the audit. Employees in no way may obstruct the audit work, or withhold or manipulate any information. All employees, to the extent that such relates to them, must respond to the auditors' reports and promptly apply the agreed correctional actions.

## 8. APPLICATION – HANDLING DOUBTS - VIOLATIONS

### 8.1 APPLICATION

The members of management and employees are obliged to comply with the requirements of the present Code.

Each employee must ensure that such rules are applied also by his/her colleagues.

In case where an action or practice illegal, immoral or prohibited by the Code is identified, then such must be reported directly to the Chief Executive Officer, or to the Group's Head of Human Resources, or to the head of the Group's Legal Service, or to the head of the Group's Internal Audit. The communication procedure of the Code of Ethics, also includes the ways of approaching the aforementioned representatives. Communication can be done via email or letter (postal, or by the corporate correspondence).

To prevent malicious or unfounded reports penalties may be imposed on those acting in bad faith.

The application of the Code of Conduct is monitored by the directly related heads of departments.

The Internal Auditor, within the context of his duties, checks that the procedure is followed. In the context of these audits and in case it is deemed necessary, the internal auditor suggests certain improvements to the management, that, if accepted, are incorporated to the Code of Conduct and applied with the responsibility of the various departments' heads. A check that the aforementioned amendments are applied is done at a later stage.

### 8.2 HANDLING DOUBTS

In case where the decision making according to the Code of Conduct rules is rendered difficult, the following steps should be followed:

- all the possible data must be collected in order to acquire an extensive view on the issue,
- responsibilities offered by your position should be clarified,
- contact your supervisor and inform him/her on the issue,

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- in case of doubts on the application of applicable laws contact the Group's Legal Service, while in case of doubts on the application of internal regulations or procedures contact the head of the Group's Internal Audit.

### 8.3 VIOLATIONS

Non-compliance with the rules of the Code of Conduct is treated as an offense and disciplinary penalties may be imposed according to applicable law.

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