



POLICY AGAINST CHILD LABOUR AND FORCED LABOUR

Corporate
POL-COR409 V01

May 2025

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APPROVAL		
Areas Involved	Date	Responsible
Corporate Finance Vice Presidency	26.05.2025	Corporate Finance Vice President

REVIEW	
Periodicity	Two (2) years
Last review	
Effective date	26.05.2025

CONTACT POINT	
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1. OBJECTIVE

To establish guidelines and a framework to prevent, identify, and eradicate any form of child labour or forced labour both in GRUPO FARMA's (hereinafter referred to as the "GROUP" or the "Company"), direct operations and among all entities involved in commercial operations, especially its supply chain.

GRUPO FARMA is committed to implementing and ensuring effective actions to meet this goal, always acting under the principles of ethics, integrity, and responsibility, and aligned with the highest standards of the pharmaceutical industry, current legal regulations, the Code of Ethics and Supplier Code of Conduct, GRUPO FARMA's policies and procedures, and its corporate values.

2. SCOPE

This Policy covers the prevention, identification, and eradication of any form of child and/or forced labour in:

- All operations and operational processes carried out directly by GRUPO FARMA.
- All operational and administrative processes related to its supply chain, including third parties, contractors, subcontractors, suppliers, and strategic partners.
- Any other party with whom the company has, seeks to establish, and/or maintain business relationships.

It is an integral part of this policy to ensure that all employees and third parties within the supply chain respect and act according to this document and the corporate policies and procedures of GRUPO FARMA (**see RELATED DOCUMENTS**) the Code of Ethics "Green Book" and applicable ethical and legal principles.

3. AUDIENCE

Applicable to all GRUPO FARMA employees and third parties with whom the company has contractual or commercial relationships within its supply chain, as well as other stakeholders related to the Group.

4. GENERAL CONSIDERATIONS

As a company committed to care, health, and well-being, GRUPO FARMA promotes respect and protection of human rights and adopts measures to prevent any form of child labour, forced labour, debt bondage, or other practices that constitute modern slavery in its operations. Ongoing efforts are made to identify and mitigate any related risk, especially in contexts where the pharmaceutical industry may face vulnerabilities.

GRUPO FARMA commits to continuously assess risks—considering geographic risks, country of origin, key inputs, products, and services—to identify critical segments in the supply chain, and to manage and mitigate them according to principles of business ethics, human rights, responsible labour practices, occupational health and safety, diversity and inclusion, and environmental sustainability, all aligned with its corporate policies and guidelines.

Child labour and forced labour do not include cases in which minors are engaged through formal internship or student training programs, provided that current labour laws are followed, the minor's rights are respected, and dignified working conditions are ensured. These activities must aim at the educational and professional development of the minor, have legal guardian consent when required by law, and must not interfere with the minor's development, health, or education.

All current and potential suppliers must respect and comply with these guidelines as an essential condition for maintaining a business relationship with GRUPO FARMA.

5. COMMITMENT TO HUMAN RIGHTS AND RESPONSIBLE CONDUCT

GRUPO FARMA operates with integrity and responsibility at all levels in its operation, that is why commitment to human rights is an essential part of its Corporate Culture and is aligned with international standards, such as the guidelines of the Organization for Economic Co-operation and Development (OECD) and the United Nations (UN) Guiding Principles.

For this reason, the GROUP, aware of the importance and respect for human rights, rejects all forms of child exploitation, forced labour, and, in general, any form of modern slavery. In line with its values and the national and international legal framework, it is committed to ensuring that its products and services are developed ethically, without using child labour or abusive/forced labour practices at any stage of its value chain.

Through this Policy, the Company sets clear guidelines and standards that govern both its internal operations and the activities of its suppliers, subcontractors, and strategic partners. This commitment is based on principles of human rights, business integrity, social responsibility, and fairness.

To ensure compliance with these standards, the GROUP:

- Verifies counterparties' commitments through their Due Diligence processes and identifies and manages any indication of child labour, forced labour or any form of modern slavery.
- Conducts risk assessments with particular attention to geographic, sectoral, and key input factors.
- Undertakes actions to ensure that its employees, suppliers, and other third parties are aware of ethical labour practices and the provisions in this Policy.
- Incorporates binding clauses into third-party agreements, requiring strict adherence to the prohibition of child labour, forced labour, and any form of modern slavery.
- Monitors compliance through audits based on prior contractual agreements, and may take corrective actions, including termination of commercial relationships in cases of serious non-compliance.
- Has a Supplier Code of Conduct outlining the standards suppliers must meet to maintain relationships with the Company.

GRUPO FARMA fosters a culture of continuous improvement where active oversight, collaboration with partners, and respect for human dignity are fundamental pillars of its business approach.

6. SUPPLY CHAIN RESPONSIBILITY PRINCIPLES

GRUPO FARMA recognizes that its supply chain is a key element in achieving its strategic objectives. Therefore, it fosters relationships with third parties who act ethically, respect human rights, and are committed to responsible business practices. The Company strongly believes in responsible supply chain management as a core pillar of its business model.

The Company promotes not only compliance with applicable law among its partners but also the adoption of conduct aligned with GRUPO FARMA's values, prioritizing integrity, respect for employees, environmental protection, and maintaining rigorous risk assessment processes to ensure proper standards in human rights, labour safety, equity, and environmental performance throughout its supply network.

7. RAISE OF CONCERNS

GRUPO FARMA promotes an organizational environment of trust and respect, allowing both employees and third parties to raise concerns or report potential irregular conduct without fear of retaliation.

Aligned with this commitment, it has established **"Tu Voz Cuenta"**, GRUPO FARMA's Whistleblower Channel—a secure and confidential tool available in multiple languages and operational 24/7, designed to facilitate reporting of potential violations of this Policy, the Code of Ethics "Green Book", the Supplier Code of Conduct, applicable laws or report any other concern.

8. LEGAL FRAMEWORK

a. International Labour Organization (ILO)

- **Convention No. 138 (1973):**
Establishes the minimum age for admission to employment. Member States must set a minimum age no lower than the end of compulsory schooling and, in any case, not less than 15 years old (or 14 in developing countries).
- **Convention No. 182 (1999):**
Addresses the prohibition and elimination of the worst forms of child labor, including slavery, trafficking, forced labor, and the use of children in armed conflict or illicit activities.

b. ILO Declaration on Fundamental Principles and Rights at Work (1998)

Recognizes the following as fundamental rights:

- Elimination of forced labor
- Effective abolition of child labor
- Non-discrimination in employment
- Freedom of association and collective bargaining

Action Framework 2023–2025:

Strengthens the global commitment to achieving SDG Target 8.7, which aims to eliminate all forms of child labor by 2025.

c. United Nations (UN)

d. Convention on the Rights of the Child (1989):

Article 32 establishes that States must protect children from economic exploitation and from work that is hazardous or may interfere with their education, health, or development.

e. Organization for Economic Co-operation and Development (OECD)

Guidelines for Multinational Enterprises

Promote responsible business conduct in human rights, including due diligence to prevent negative impacts such as child or forced labor in supply chains.

Venezuela

- **Constitution of the Bolivarian Republic of Venezuela (1999):** Guarantees protection for the rights of children and adolescents, prohibiting child labor in conditions harmful to their well-being.

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- **Organic Law for the Protection of Children and Adolescents (LOPNNA):** Sets the minimum working age and specific protections for minors in the workplace.
- **ILO Convention No. 182:** Ratified by Venezuela; mandates the immediate elimination of the worst forms of child labor.
- **Organic Labor Law:** Prohibits forced labor and includes sanctions for violations.

Colombia

- **Law 704 of 2001:** Approves ILO Convention No. 182.
- **Substantive Labor Code:** Establishes the minimum working age and regulates employment conditions for minors.
- **Zero Tolerance Policy on Child and Forced Labor:** Promotes eradication of these practices and protection of human rights.

Ecuador

- **Constitution of the Republic of Ecuador:** Prioritizes protection of children and adolescents, banning exploitative labor.
- **Childhood and Adolescence Code:** Sets the minimum working age at 15 and regulates youth employment.
- **Technical Standard for the Eradication of Child Labor and Begging:** Governs services aimed at eliminating child labor.
- **Labor Code:** Bans forced labor and outlines sanctions.

Peru

- **Political Constitution of Peru:** Prohibits slavery, servitude, and human trafficking.
- **Children and Adolescents Code:** Regulates child labor.
- **General Labor Inspection Law:** Defines mechanisms to prevent child and forced labor.
- **National Action Plan on Business and Human Rights (2021–2025):** Includes targeted measures for eradication.
- **Resolution 236–2023–SUNAFIL:** Sets inspection procedures for child and forced labor.

Panama

- **National Constitution (Article 66):** Restricts

working hours for minors and bans child labor and night work for certain ages.

- **Family Code:** Contains provisions on child labor.
- **Labor Code:** Protects minors in the labor market.
- **Convention on the Rights of the Child:** Ratified through Law No. 15 of 1990.
- **ILO Standards:** Panama has adopted administrative and legal measures to prevent child labor.

Guatemala

- **Political Constitution:** Prohibits child labor under harmful conditions.
- **Law for Comprehensive Protection of Children and Adolescents (Decree 27-2003):** Prevents child exploitation.
- **Labor Code:** Regulates youth employment.
- **Government Agreement No. 112-2006:** Regulates labor conditions for minors.
- **ILO Conventions Nos. 138 and 182:** Both ratified by Guatemala.

Dominican Republic

- **Constitution:** Ensures protection of children's rights.
- **Labor Code (Law 16-92):** Prohibits hazardous employment for minors.
- **Law 136-03 – Code for the Protection of Children and Adolescents:** Establishes sanctions against child exploitation.
- **Resolution 52/2004:** Defines hazardous jobs for minors under 18.
- **ILO Conventions Nos. 138 and 182:** Ratified by the

Dominican Republic.

Switzerland

- **Ratification of ILO Convention No. 182:** Prohibits hazardous and exploitative child labor.
- **Convention on the Rights of the Child:** Measures to prevent child labor.
- **Swiss Penal Code:** Penalizes forced labor and human trafficking.
- **Optional Protocol on Forced Labor (ILO):** Reinforces the country's commitment.
- **Swiss Civil Code:** Code of Obligations, Articles 964j-964l.

Most Relevant International Standards

- **Slavery Convention (1926):** One of the first international treaties against slavery.
- **Supplementary Convention (1956):** Reinforces the abolition of slavery and slave trade.
- **ILO Convention No. 29 (1930):** Prohibits forced labor.
- **ILO Convention No. 105 (1957):** Complements Convention 29, reinforcing the ban on forced labor.
- **2014 Protocol to ILO Convention on Forced Labor:** Adds new global measures.
- **ILO Convention No. 138 (1973):** Sets the minimum age for employment.
- **ILO Convention No. 182 (1999):** Bans the worst forms of child labor.
- **Protocol to Prevent, Suppress and Punish Trafficking in Persons (2000):** Supplements the UN Convention against Transnational Organized Crime.

9. GLOSSARY OF TERMS

- **Value Chain:** All activities, processes, and entities involved in the production and distribution of the Company's goods and services, including direct and indirect suppliers, subcontractors, and other linked third parties.
- **Due Diligence:** Ongoing process of identifying, assessing, preventing, and mitigating risks associated with counterparties prior to and during the business relationship.
- **Modern Slavery:** A form of exploitation where a person cannot refuse or leave their work due to coercion, threats, abuse of power, or deception. This includes forced labour, human trafficking, debt bondage, and sexual exploitation.
- **Risk Assessment of Child Labour:** Systematic analysis of the conditions under which child or forced labour may occur, considering factors such as country of origin, industry sector, type of product, labour practices, and supplier reputation.
- **Stakeholders:** All individuals, groups, or organizations that may be directly or indirectly affected by GRUPO FARMA's activities or who can influence compliance with this policy.
- **Supplier:** Any individual or legal entity providing goods, services, or inputs to GRUPO FARMA, either directly or indirectly, and who must comply with this policy as a condition to maintain the business relationship with GRUPO FARMA.
- **Child Labour:** According to the International Labour Organization, all work that deprives children of their childhood, potential, and dignity, and that is harmful to their physical and mental development. This includes work that interferes with schooling by: depriving them of the opportunity to attend school; obliging them to leave school prematurely; or requiring them to attempt to combine school attendance with excessively long and heavy work; or work that is mentally, physically, socially or morally dangerous and harmful to children.
- **Forced or Compulsory Labour:** Any work or service exacted from a person under threat of penalty and for which the person has not voluntarily offered himself or herself. This includes work under physical, psychological, or economic coercion (International Labour Organization Convention, 1930, No. 29).

10. RELATED DOCUMENTS

Document	Code
Code of Ethics "Green Book"	CEC-COR100
Supplier Code of Conduct	CCP-COR101
Corporate Manufacturing and Supply Policy	POL-TC202
Corporate Product Safety, Quality, and Performance Policy	POL-TC205
Corporate Global Trade Laws Policy	POL-TC307
Corporate Compliance Policy	POL-COR404
Corporate Social Responsibility Policy	POL-TC500
Corporate Health and Environmental Protection Policy	POL-TC501

11. CHANGE CONTROL AND HISTORY

Responsible	Changes	Version	Date
Compliance / Legal	Document creation	V01	26.05.2025

12. DOCUMENT PREPARATION AND REVIEW

Prepared by	Reviewed by
MM – LATAM Compliance Officer GDV – Legal Director	AJG – Corporate Finance Vice President GDV – Legal Director MM – LATAM Compliance Officer TM – Corporate Compliance Officer

13. DOCUMENT APPROVALS (MS APPROVALS)