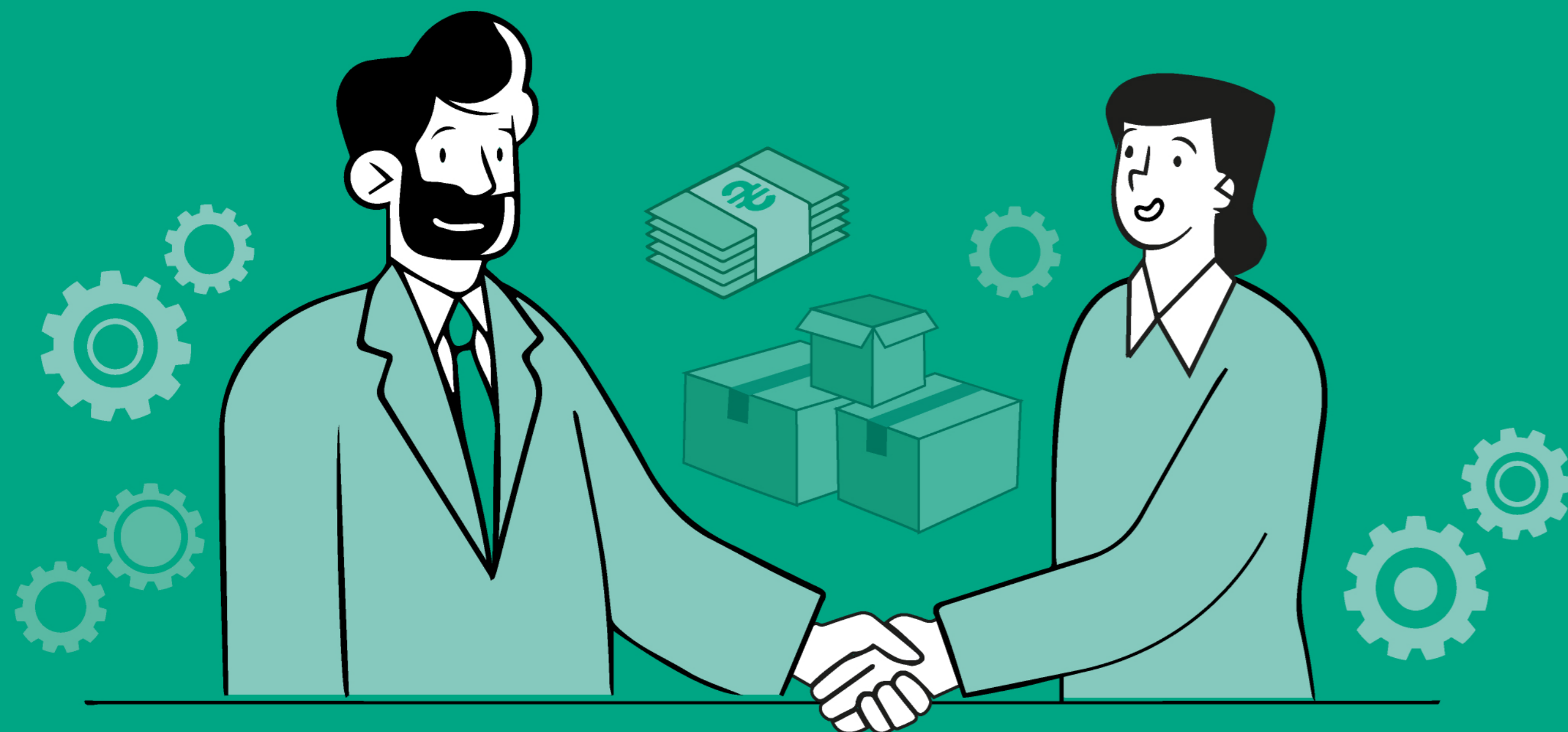


SOURCING PRINCIPLES

In addition to embracing the [Company's Mission, Vision and Values](#), our Purchases people are guided by five principles for strategic sourcing. These five principles establish a foundation for our discipline and serve as guidelines in our daily activities as we interact with external suppliers. Meanwhile, all suppliers must follow and comply with the requirements of [Code of business conduct of counterparty of PrJSC «Pharmaceutical firm «Darnitsa»»](#).

These five principles are:

- 1 Best Total Value
- 2 Honest, Ethical and Fair Dealings
- 3 Externally Linked Supply Solutions
- 4 Competition and Collaboration
- 5 Supplier Incumbency



Best Total Value

We make sourcing decisions on the basis of best total value offered to supply our high standards and requirements for the quality of goods, works, and services. The determination of the best total value includes the assessment of quality at the level of compliance with established norms and standards, durability, reliability, aesthetics, and ergonomics. In addition to cost, the supplier's ability to provide goods and services that meet our functional and technical requirements plays a significant role, as well as flexibility in correcting any issues that may arise. We also pay attention to the supplier's responsibility and responsiveness, the speed of response to inquiries, process transparency, and the absence of discrimination based on gender or any other characteristic. The presence of the supplier in the local market and their willingness to share risks and provide the necessary resources for order fulfillment are important factors. Considering these aspects, we strive to build mutually beneficial relationships with our suppliers to ensure unsurpassed quality and value for our customers.

Honest, Ethical, and Fair Dealings

We treat all suppliers with respect and deal with them honestly, ethically, and fairly. We conduct business in compliance with all applicable laws and regulations. We believe that buyers and suppliers optimize their working relationship when there is a foundation of trust. By treating suppliers and potential suppliers honestly, ethically and fairly, we do our part in building that foundation, and expect that the supplier will do likewise. We do this not only because we believe it is right, but also because it makes working with PrJSC «Pharmaceutical Firm «Darnytsia»» attractive to current and potential suppliers.

Externally-Linked Supply Solutions

We deliver solutions that meet PrJSC «Pharmaceutical Firm «Darnytsia»» business needs by bringing the Company's deep supply and market knowledge and access to supplier competencies, resources, and relationships around the globe. We create effective business alternatives to develop commercial and supply solutions for Company's business that deliver improved service, revenue and profit, while flexible enough to accommodate market changes.

Competition and Collaboration

We apply the strategic use of competition, collaboration or a blend of the two in our approach towards managing our supplier relationships. The Company has a long-held belief that competition encourages the innovation and efficiency from our supply base that ultimately delivers optimum value over the long-term. PrJSC «Pharmaceutical Firm «Darnytsia»» also believes that we must collaborate with suppliers to access and engage their core competencies, capabilities, and resources to support us in creating value for our consumers and customers. The choice to emphasize competition or collaboration or blend the two is driven by business circumstances, supply market dynamics, supplier capability, supplier compatibility with PrJSC «Pharmaceutical Firm «Darnytsia»», and the level of interdependency necessary between PrJSC «Pharmaceutical Firm «Darnytsia»» and the supplier to deliver best value.

Supplier Incumbency

We seek to balance stability in our supply base and orderly shifts of business with the need to seek out new suppliers who offer superior value. We prefer ongoing relationships with incumbent suppliers because we believe they deliver lower long-term costs and higher value to our business. Therefore, to win our business, new suppliers must provide meaningfully better total value than the incumbent. Incumbency is applied to each specific situation where a number of elements are considered that includes PrJSC «Pharmaceutical Firm «Darnytsia»» business needs, past performance and future potential of a supplier, impact of business shifts on overall marketplace competitiveness and long-term buyer/supplier relationships, and costs for start-up, qualification, and/or shut-down.