

Castelvecchio Pascoli, 22 May 2006

Global Compact
United Nations
Room S-1881
New York, N.Y 10017
USA

For the kind attention of Mr. George Kell

Reference: Kedrion's Ethics Management System .

The aim of this communication is to introduce the System referred to above. For future updates and to consult Kedrion's Code of Ethics one can refer directly to the website: www.kedrion.com .

Kedrion has adopted a system of Corporate Social Responsibility which adheres to the requirements of the SA8000 International Standard for Social Accountability; this system has been certified by the independent body SGS (SGS's email : sa8000@sgs.com) SAI accredited (Social Accountability International).

The Company's Ethics Policy for the year 2006 is attached herewith.

Kedrion is confident that its Stakeholders share the principles of ethics which underlie this initiative.

Yours sincerely
Ethics Officer e Vice President of Kedrion S.p.A.
Rodolfo De Dominicis

It is Kedrion's belief that the principle of ethics in business must systematically govern all business relations (both within the company and with third parties) because it is an expression of the high value that must be attributed to human life in order to be coherent with the type of pharmaceutical products concerned (pharmaceutical products derived from the industrial process of human plasma fractionation from donations).

Kedrion, therefore, has adopted an Ethics Management System which fully encompasses:

- A Code of Ethics
- A Corporation Governance System in accordance with Italian Legislative Decree n.231 dated 08.06.2001
- A System of Corporate Social Responsibility SA8000, certified in 2004
- A Scientific Information Activity Conduct System based on Farmindustria Guidelines which has already been certified in 2004 by an accredited independent body
- Quality/Safety/Environmental Assurance Systems which adhere to specified standards

From an organisational point of view, in 2004 Kedrion's Board of Directors appointed a company body responsible for Kedrion's Ethics Management System, vesting the current Vice President with an official mandate as:

- Ethics Officer, including the role of Surveillance Body on the Corporate Governance System in accordance with Italian Legislative Decree n.231 dated 08.06.2001(art.6 lett. B)
- Internal Auditor

insofar as he acts independently, thus guaranteeing the impartiality of his decisions and evaluations, in line with his role as guarantor of Kedrion's Ethics Management System.

Kedrion has also appointed an Ethics Committee, an advisory body of erudite members, for the most part external, whose function is one of support in the resolution of ethics problems and of identifying areas for improvement.

During 2005 Kedrion has

- Completed the programme for implementing the Corporate Governance System in accordance with Italian Legislative Decree n.231 dated 08.06.2001
- Had its certifications reconfirmed

In particular, with reference to its system of Corporate Social Responsibility, Kedrion has :

- Participated in a number of events on the theme of Corporate Social Responsibility,
- Become a participant in Global Compact – an initiative of the United Nations,
- Implemented a communication and training programme based on an Ethics Management System, involving at least 88% of all personnel,
- Implemented a Suppliers' Audit Programme with reference to SA8000, involving ten suppliers (in addition to involving all suppliers in an initial evaluation programme based on the distribution of a questionnaire),
- Implemented the SA8000 Internal Audit Programme which has identified 29 corrective actions, which are however achievable in the short term (24 actions by April 2006, and the remainder by the end of 2006); these concern:
 - Aspects of the Management System which, however, are not symptomatic of a failing in terms of adherence to the principles of respect of human rights and workers' rights,
 - The creation of facilities to identify systematically suppliers to undergo ethics audit (to evaluate their adherence to the principle of respect of human rights and workers' rights),
 - Implementation of an Outside Communications System (to Kedrion Stakeholders) regarding the performance of the Ethics Management System, which should guarantee method, transparency and truth in the presentation of information,
 - Implementation of operative synergies between the various elements that make up the Company's Ethics Management System.
- Managed the system for communicating concerns to the Ethics Officer voiced by employees; this system allows personnel to voice complaints or doubts, even anonymously, regarding the principles of the SA8000 Standard; during 2005 two complaints were received regarding application of the internal regulation and, in particular, aspects relating to flexibility in working hours and holidays; the complaints were dealt with satisfactorily, also through a recommendation aimed at insuring equal treatment for all personnel, based on the principles of the Code of Ethics; the recommendation was acknowledged by the Ethics Committee and duly communicated to the Head of Personnel and also to the relevant Heads of Department, both administrative and management.

THE COMPANY'S ETHICS POLICY FOR 2006

In terms of macro- objectives, the Company's Ethics Policy for 2006 aims to:

- Set up an Outside Communications System regarding the performance of the Ethics Management System, thereby creating the prerequisites for method, transparency and truth in the presentation of information.
- Encourage the advancement of an ethics culture in relations at all levels (personnel/collaborators/companies within the group), thereby stimulating familiarity with the Code of Ethics, an instrument which summarises the components of the Ethics Management System and the principles which inspired it.
- Activate the synergies between the various elements which are comprised in the Management System, thereby focalising on the common objective to safeguard Enterprise Value by preventing all non-ethical behaviour.
- Continue to focus constantly on achieving the activities laid out in the Ethics Management System.

Specific objectives focus on the macro- objectives mentioned above and can be summed up in nine points:

1. Implementation of a Communications System addressed to all the stakeholders regarding the performance of the Ethics Management System.

2. Implementation of the integrated training programme, regarding:

- * Health & Safety in the working environment
- * Environmental Management
- * Aspects relating to the organisational structure of the Company
- * Kedrion's Ethics Management System with focus on a system of Corporate Social Responsibility SA8000

Apart from regular training on each topic, the aim is that of providing an integrated perspective of the ethics principles dealt with in Kedrion's Code of Ethics, paying particular attention to:

- safeguarding health and safety in the working environment
- safeguarding the environment and relative company management system

- promoting knowledge of the Company's organisational structure and of certain aspects relating to management of Human Resources

- ethics in internal relations and in relations with external stakeholders

This plan involves approximately 200 people (within 22 groups).

3. Implementation of all possible synergies through the various management schemes regarding Kedrion's Ethics Management System (a System of Corporate Social Responsibility SA8000, Corporate Governance System in accordance with Italian Legislative Decree n.231 dated 08.06.2001, Environmental Management System,...) and between each Company Department; in particular we also envisage improving the folder on Kedrion's Ethics Management System, currently available on Intranet, by including some points relating to the Corporate Governance System in accordance with Italian Legislative Decree n.231 dated 08.06.2001

- System documentation: procedures and summarised manual
- Direct helpline to the Company Surveillance Body
- Data bank regarding application status of the decree
- Documentation relating to a personnel training programme
- Optimising the Ethics helpline

4. Implementation of the Suppliers' Audit Programme for 2006 with reference to SA8000, which focalises on those suppliers operating within the Company for maintenance, cleaning, sanitisation, waste disposal...

Revision of the current Suppliers' Data Base with reference to SA8000, with a view to including useful elements in the application of specific guide lines to identify suppliers for future SA8000 audits.

5. Implementation of the internal Audit Programme for 2006, management of concerns to the Ethics Officer voiced by employees, management of corrective actions identified in the recent audit.

6. Improvement of the ethics organisational structure by establishing a term of office for the SA8000 workers' representatives.

7. Implementation of the activities pertaining to the Surveillance Body on the Corporate Governance System (in accordance with Italian Legislative Decree n.231 dated 08.06.2001), already foreseen in the Surveillance Body Regulations approved by the Board of Directors.

8. Extending the Ethics Management System to the whole group, with the launch of the SA8000 certification project and the Corporate Governance System Project, in Hardis (a company within the group)

9. Focalise on future opportunities for participating in Global Compact, and preparation of a periodical report.