



# Supplier Code of Conduct

Acting with Integrity



Within this Code of Conduct, the term “PharmaLex” refers to PharmaLex GmbH, its subsidiaries and affiliated companies. The conduct and compliance standards in this code apply to all employees and officers of PharmaLex.

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## 1. Preamble

Sustainable development is a globally accepted approach to the sustaining of economic growth without harming our planet or exhausting its resources but while improving the quality of life for its current and future inhabitants. Our efforts in the areas of corporate social responsibility, sustainability and corporate compliance make a significant contribution to PharmaLex's success and to safeguarding the firm's future development.

The principles expressed in this Supplier Code of Conduct constitute an important component of our supplier selection and evaluation processes. Moreover, we expect our suppliers to replicate these standards further down the supply chain. We verify the success of our initiatives and principles by means of assessments conducted by EcoVadis. If a supplier is in breach of our principles and cannot agree on an improvement plan or does not implement one, PharmaLex reserves the right to redetermine the continuation of the commercial relationship.

This Supplier Code of Conduct is therefore made available to our suppliers and has the goal of strengthening our mutual understanding of how these principles should be practiced in day-to-day business, including the advancement of efforts to contribute to the better health of people, animals and plants.

## 2. Ethics

**To meet social responsibilities, our suppliers shall conduct their business in an ethical manner and act with integrity. Ethical requirements consist of the following aspects.**

### i) Business Integrity

Suppliers shall not practice or tolerate any form of corruption, extortion, embezzlement or money laundering. Suppliers shall neither offer to nor accept from their business partners or government officials any bribes or other unlawful incentives, for example, facilitation payments. Suppliers shall not offer to PharmaLex employees any kinds of gifts or personal benefits that could be perceived as bribes. In all cases, neither gifts nor entertainment shall be offered with a view to improperly influence a business relationship — and neither of them violate applicable laws or ethical standards.

### ii) Conflict of Interest

Our suppliers shall disclose to PharmaLex any situation that could constitute a, such as PharmaLex employees who might have professional, private and/or significant financial advantages or interests in any of the suppliers' businesses.



### iii) Identification of Concerns

Suppliers shall encourage — and provide methods for — their employees to report concerns, complaints or potentially unlawful activities in the workplace without threat of reprisal, intimidation or harassment. Such reports must be treated in a confidential manner. Suppliers shall investigate such reports and take corrective action if needed. Suppliers shall notify PharmaLex of legal actions, administrative investigations or prosecutions that may affect their performance of PharmaLex business or that could potentially adversely affect a supplier's and PharmaLex's reputations.

If at any time a supplier or a supplier's employees believe that a PharmaLex employee has acted contrary to these principles, the supplier or its employees are encouraged to report the concerns to our Compliance Hotline at [www.PharmaLex.com](http://www.PharmaLex.com).

### iv) Fair Competition

Suppliers will conduct their business in line with fair competition and in accordance with all applicable anti-trust laws.

### v) International Trade Controls

Suppliers must comply with export control regulations applicable to their businesses and must provide accurate and truthful information for customs and other authorities when required.



vi) Privacy and Intellectual Property

Suppliers shall safeguard and make only appropriate use of confidential information and ensure that all employees' and business partners' privacy and valid intellectual property rights are protected.

Suppliers shall not use PharmaLex's name or marks or the names or marks of our affiliates or their products in any publicity or advertising without PharmaLex's prior written consent.

vii) Data Privacy and Data Protection

Supplier information systems that contain PharmaLex's confidential information or data shall be appropriately managed and protected against unauthorized access, use, disclosure, modification or destruction. Suppliers shall collect personal information only for legitimate business purposes, use it in legal, transparent and secure manners, share it only with those who are allowed access, protect it in accordance with security policies, retain it only for as long as necessary and obligate third parties with access to the personal information to protect it.

viii) Fair Marketing Practices

Interactions with healthcare professionals and healthcare organizations (HCPs, HCOs) are intended to enhance the practice of medicine and ultimately benefit patients. Interactions should focus on informing HCPs and HCOs about products by providing scientific, medical and educational information or by supporting medical research and education. Nothing shall be offered to or provided for HCPs or HCOs in a way that could have an inappropriate influence on prescribing practice.



Likewise, interactions in the marketing or selling of biotechnology and crop protection products should also follow fair and ethical practices. We expect that suppliers that prepare sales, advertising, promotional and marketing materials will fulfill their duties through truthful and accurate descriptions.

#### ix) Animal Welfare

If applicable to a supplier's industry, alternatives to animal testing shall be used when such alternatives are scientifically valid and predictive so as to not compromise the quality or safety evaluations of our products and when they are acceptable to regulatory agencies. When animal testing is necessary, suppliers shall minimize the number of animals used for testing. Suppliers shall be equally committed to conducting animal testing that uses the most-humane scientifically valid protocols — which must meet study and regulatory requirements — and shall conduct tests only in accordance with all applicable laws.

#### x) Use of Genetic Resources

Suppliers shall enable the fair and equitable sharing of benefits arising from the use of genetic resources in accordance with the Convention on Biological Diversity.



### 3. People and Labor

**Suppliers shall protect their employees' human rights and treat employees with dignity and respect. This includes the following aspects.**



#### i) Child Labor Avoidance

We do not tolerate child labor in our supply chain. Suppliers must avoid any sort of child labor in their business operations, as consistent with the core labor standards of the International Labour Organization (ILO) and the principles of the United Nations Global Compact. If local minimum-age<sup>1</sup> law stipulates a higher age for work or mandatory schooling, the higher age applies.

#### ii) Freely Chosen Employment

We do not tolerate slavery, servitude, forced or compulsory labor or human trafficking in our supply chain. Bonded, indentured or involuntary prison labor also is not accepted. Such practices as the withholding of personal property, passports, wages, training certificates, work documents or any other documents for inappropriate reasons are not acceptable.

### iii) Freedom of Association

Suppliers shall commit to an open and constructive dialogue with their employees and employees’ representatives. In accordance with local laws, suppliers must respect the rights of their employees to associate freely, form and join labor unions, seek representation, join works councils and engage in collective bargaining. So that employees can exercise their roles without fear of reprisal or discrimination, suppliers shall not disadvantage employees who act as workers’ representatives.



### iv) Working Time, Wages and Benefits

Working time for suppliers’ employees shall not exceed the maximum set by the applicable national law and by ILO standards. Compensation shall be paid to employees regularly, in a timely manner and in full according to applicable laws and must comply with applicable national wage laws. Compensation and benefits should aim at providing an adequate standard of living for employees and their families. Unless otherwise stipulated by local laws, deductions from basic wages as a disciplinary measure shall not be permitted, but this does not exclude the entitlement of damages on a contractual or legal basis. Suppliers are expected to provide their employees with fair and competitive compensation and benefits and to support equal pay for work of equal value. It is recommended that suppliers offer their employees ample training and educational opportunities.

<sup>1</sup>Minimum Age Convention No. 138, 1973, concerning minimum age for admission to employment; Worst Forms of Child Labour, No. 182, 1999, Convention concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour.

#### v) Diversity and Inclusion

Equal treatment of all employees must be a fundamental principle of a supplier's corporate policy. Typical discriminatory treatment takes into consideration — consciously or unconsciously — irrelevant characteristics of an employee such as age, disability, ethnicity, family status, gender, gender expression, gender identity, genetic information, national origin, physical characteristics, political affiliation, pregnancy, religion, social origin, sexual orientation, union membership or any unlawful criterion under applicable law. Suppliers shall ensure that their employees are not harassed in any way.

PharmaLex encourages suppliers to provide an inclusive and supportive work environment by exercising diversity when it comes to hiring and retaining employees. Likewise, PharmaLex encourages suppliers to have an active supplier diversity program in place by engaging with diverse owned businesses.



#### vi) Fair Treatment

Suppliers must provide their employees with a workplace free of harsh and inhumane treatment and with no sexual harassment, sexual abuse, physical punishment or torture, mental or physical coercion or verbal abuse of employees or the threat of any such treatment. Furthermore, suppliers are expected to not unfairly terminate any employment contract or terminate one without clear evidence that the termination of an employment contract — in relation to the working performance of an employee — is permitted by law. Employees may leave an employer freely, provided they comply with advance notice as specified by law. They shall be paid on time and in full, according to applicable laws, for the work they have done prior to leaving.

## vii) Local Community

To promote responsibility toward the communities they operate in, suppliers should listen to the concerns of local residents and provide for healthy and safe living conditions. The support of local job creation, local sourcing, education provisioning and infrastructure development is encouraged.

## 4. Health, Safety and Environment

**Suppliers shall make adequate provision for the health and safety of their employees, customers, visitors, contractors and others who may be affected by their activities. They shall operate in an environmentally responsible and resource-efficient manner. This provision comprises the following aspects.**

### i) Occupational Health and Safety

Suppliers shall adequately protect their employees against chemical, biological and physical hazards. Physically demanding tasks and conditions in the workplace as well as risks associated with infrastructures used must be adequately managed to protect employees. Suppliers shall provide appropriate controls, safe work procedures, adequate maintenance and necessary technical protective measures to mitigate health and safety risks in the workplace and to prevent accidents and occupational illnesses. In addition, suppliers shall provide their employees with appropriate personal protective equipment.

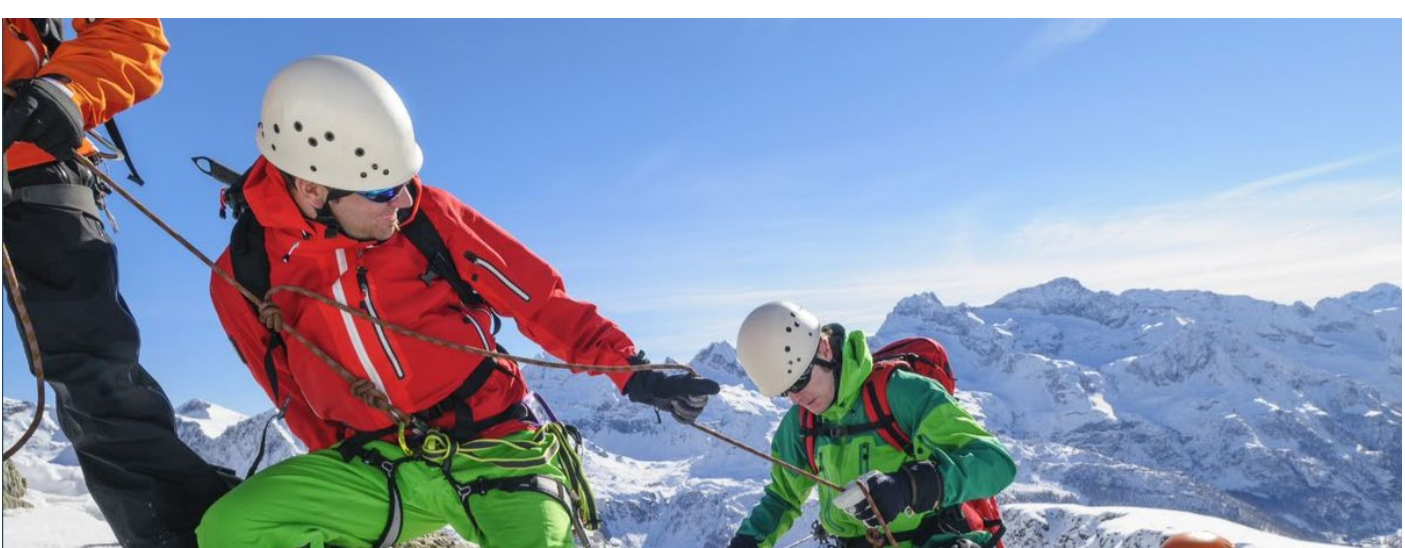


Safety information related to any identified workplace risk or hazardous materials,<sup>2</sup> including compounds in intermediate materials, shall be available to educate and train workers and protect them from hazards. A safe and healthy work environment shall include at minimum the provision of potable drinking water, adequate lighting, comfortable temperature, ventilation, sanitation and, if applicable, safe and healthy company living quarters.

<sup>2</sup> According to the United Nations Globally Harmonized System.

## ii) Process Safety

Suppliers shall have safety programs in place for managing and maintaining all of their production processes in accordance with applicable safety standards. Suppliers shall appropriately communicate, disclose and manage hazards inherent in their processes and products to ensure that affected or potentially affected third parties are protected. Likewise, major incidents shall be analyzed and communicated in a timely fashion. In cases of hazardous installations and processes, suppliers shall regularly conduct specific risk assessments and implement measures that prevent the occurrence of incidents such as chemical releases, fires or explosions.



## iii) Product Safety

Suppliers must comply with product safety regulations, must label products properly and must communicate product-handling requirements. They shall provide for relevant parties all applicable documentation containing all of the safety-relevant information necessary for the handling of all hazardous substances. This includes product information, safety data sheets, notification or registration confirmations, uses and exposure scenarios. Suppliers must pro-actively and transparently share with all relevant parties all information about the health, safety and environmental aspects of their products.

iv) Emergency Preparedness, Risk Information and Training

Suppliers shall make available to employees and contractors all safety information on identified workplace risks. Employees and contractors shall be correspondingly trained to ensure they are adequately protected at all times. Suppliers shall identify and assess relevant risks and emergency situations in the workplace, public neighborhood and company-provided living quarters. The potential impacts of risks and emergencies shall be minimized by the implementation of appropriate fire protection, effective emergency plans, regular drills and response procedures.



v) Waste and Emissions

Suppliers shall ensure the safe and compliant handling, storage, transportation, disposal, recycling, reuse and management of waste, air emissions and wastewater discharges. Any activity that has the potential to adversely affect human or environmental health shall be appropriately managed, measured and controlled. The release of hazardous substances must be minimized. Special attention shall be given to active ingredients. Suppliers shall prevent or mitigate accidental spills and fugitive emissions of hazardous materials.

vi) Resource Conservation and Climate Protection

Suppliers shall use natural resources (e.g., water, sources of energy, raw materials) in an economical way and preserve them. To ensure the conservation of renewable natural resources, suppliers shall promote the application of broadly recognized sustainability standards and certifications that have been developed by multiple stakeholders. Negative impacts on the environment and climate caused by suppliers or parties in suppliers' supply chains shall be minimized or eliminated at their sources.

Practices are encouraged to be in line with circular economy principles such as material reduction, substitution, collection, sharing, maintenance, reuse, redistribution, refurbishment, remanufacturing and recycling. Suppliers shall engage in the development and use of environmentally and climate-friendly products, processes and technologies.

Suppliers shall ensure and demonstrate continuous environmental improvements, including reductions in raw materials, energy, emissions, discharges, hazardous substances, noise and waste and instead ensure and demonstrate reliance on natural resources by means of clear targets and improvement policies.





## 5. Quality

**Suppliers shall provide high-quality, safe and effective goods and services that are in full compliance with applicable laws and regulations. This comprises the following aspects.**

### i) Quality Requirements

Suppliers shall meet generally recognized quality standards or contractually agreed quality requirements and standards in order to provide goods and services that consistently (1) meet PharmaLex's and its clients' needs, (2) perform as warranted and (3) are safe for their intended use. Suppliers shall immediately correct all critical issues that have the potential to negatively affect the quality of goods and services. Suppliers must inform PharmaLex about changes to manufacturing or supply processes that have the potential to affect the specifications of goods and services provided.

### ii) Security and Anti-counterfeiting Measures

Suppliers shall have good security practices in place across their supply chains. Suppliers shall ensure the integrity of each shipment to PharmaLex from the point of origin through to destination.

Suppliers shall implement in their area of responsibility all of the necessary and appropriate measures that will ensure that PharmaLex products, the products' workable components or raw materials and the corresponding know-how do not end up in the hands of counterfeiters, smugglers, thieves or other unauthorized parties and that they do not leave the legitimate supply chain. Suppliers shall promptly analyze the relationship with a third party if they obtain or are provided with evidence that the third party is inadvertently involved in the manufacture or selling of counterfeit products via the actions of the third party, including products destined for export that are considered counterfeit products by their country of destination.

## 6. Governance and Management Systems

Suppliers shall implement effective management systems and put in place governance structures that facilitate compliance with all applicable laws and promote continuous improvement with regard to the expectations set forth in this Supplier Code of Conduct. This consists of the following aspects.



### i) Legal and Other Requirements

Suppliers shall identify and comply with all applicable international, national and local laws and regulations, contractual agreements and internationally recognized standards. Suppliers shall also conform their practices to generally accepted industry standards; shall obtain, maintain and keep up-to-date all applicable permits, certificates, licenses and registrations; and shall operate in accordance with permit limitations and requirements at all times.

### ii) Commitment and Accountability

Suppliers shall adhere to the principles set forth in this Supplier Code of Conduct by allocating appropriate resources and incorporating all applicable aspects into policies and procedures.

### iii) Communication of Sustainability Criteria in Supply Chain

Suppliers shall replicate further down the supply chain the principles set forth in this Supplier Code of Conduct.

### iv) Systems, Documentation and Evaluation

Suppliers shall develop, implement, use and maintain management systems and controls related to the content of this Supplier Code of Conduct. Suppliers shall maintain the documentation necessary to demonstrate conformance with the principles outlined in this Code of Conduct. The documentation may be reviewed by PharmaLex upon mutual agreement.

### v) Risk Management

Suppliers shall implement mechanisms to regularly identify, evaluate and manage risks in all areas covered by this Supplier Code of Conduct and with regard to all applicable legal requirements.

### vi) Business Continuity

Suppliers are encouraged to implement appropriate business continuity plans for operations supporting PharmaLex's business.

### vii) Continuous Improvement

Suppliers shall demonstrate their commitment to continuous improvement by setting performance objectives, executing implementation plans and taking necessary corrective actions with regard to deficiencies identified by internal or external assessments, inspections and management reviews.

### viii) Training and Competency

Suppliers will develop, implement and maintain appropriate training measures to enable their managers and employees to gain appropriate levels of knowledge and understanding of the applicable principles of this Supplier Code of Conduct, of applicable laws and regulations and of generally recognized standards.

#### ix) Transparency and Disclosure

Suppliers are encouraged to report externally about their social and environmental impacts in line with the principles set forth in this Supplier Code of Conduct.

#### x) Right to Audit

Suppliers shall upon reasonable prior notice grant PharmaLex the right to evaluate their sustainability performance. Such an evaluation shall be executed directly by PharmaLex or by a qualified third party in the form of, for example, an assessment or an audit.

## 7. Glossary

The following glossary explains or defines selected terms, organizations and concepts used in the PharmaLex Supplier Code of Conduct. The PharmaLex Supplier Sustainability Guidance provides a more exhaustive explanation of the aspects of this code by stating key expectations and good practices and giving further references.

- ▶ **Employees** // When referring to employees, PharmaLex includes any staff or personnel engaged or employed by a supplier.
- ▶ **Human Trafficking** // Human trafficking involves the recruitment, harboring or transporting of people into situations of exploitation through the use of violence, deception or coercion and then forcing them to work against their will.
- ▶ **International Labour Organization (ILO)** // The UN agency called ILO brings together the governments, employers and workers of 187 UN member nations to set labor standards, develop policies and devise programs promoting decent work for all employees. See website <https://www.ilo.org/global/lang-en/index.htm>.
- ▶ **Personal Information** // Personal information is any information about an identified or identifiable natural person.
- ▶ **Suppliers** // Suppliers include any third parties that provide PharmaLex with goods and services and such third parties' agents or subcontractors.
- ▶ **Sustainability Standards and Certifications** // Voluntary and, usually, third-party assessed, these are norms and standards that have been set forth by organizations related to environmental, social, ethical and safety issues and that have been adopted by companies to demonstrate the performance of their organizations or products in specific areas. Examples of such organizations are the Forest Stewardship Council, the Roundtable on Sustainable Palm Oil, the Responsible Minerals Initiative and the Rainforest Alliance.
- ▶ **United Nations Global Compact** // Driven by the United Nations, this is a voluntary initiative based on CEOs' commitments to implement universal sustainability principles (also known as the Ten Principles of the UN Global Compact) and to take steps in support of UN goals such as the Sustainable Development Goals. See website [www.unglobalcompact.org](http://www.unglobalcompact.org).
- ▶ **EcoVadis** // EcoVadis is an international, trusted provider of business sustainability ratings, business intelligence and performance improvement tools for global supply chains. Assessments are performed and backed by an online platform that includes easy-to-use and actionable sustainability scorecards across 200 purchasing categories and 160 countries. See website <https://ecovadis.com/>.

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