



Working Together for a Healthier World

# Supplier Code of Conduct Policy

## Introduction

Colorcon is strongly committed to conducting its business in a lawful and ethical manner, including engaging with suppliers that are committed to the same principles to ensure a long-term, sustainable, and successful relationship for all parties.

This responsible sourcing policy (the “Policy”) describes the requirements and ways of working that Colorcon applies together with its upstream supply chain third parties. Colorcon requires all suppliers to operate in accordance with the principles in this document, as well as in full compliance with all applicable laws and regulations. In some cases, this policy goes beyond compliance with applicable laws and draws upon internationally recognized standards to advance social and environmental responsibility. When differences arise between standards and legal requirements, the stricter standard shall apply, unless prohibited by applicable law.

Colorcon will assess its suppliers’ compliance with this policy and demonstrate that it is working with its suppliers to continuously improve their performance. Systemic violations of this policy may jeopardize the supplier’s business relationship with Colorcon, up to and including termination. This policy applies to Colorcon’s suppliers and their subsidiaries, affiliates, and subcontractors (each a “supplier”) providing goods or services to Colorcon, or for use in or with Colorcon’s products.

To ensure these standards are cascaded throughout Colorcon’s supply chain, suppliers are expected to hold their suppliers and subcontractors to the standards and practices covered here.

## Section 1: Conducting Business

Colorcon expects the highest standards of ethical conduct from all its suppliers and third-party providers. Suppliers are required to comply with all laws, rules, regulations, and treaties applicable to the products and/or services provided to Colorcon in all locations in which business operations are conducted. These include, but are not limited to, laws related to anti-bribery, competition, business conduct, environmental standards, occupational health and safety, labor and employment, and any others that are applicable.

- 1.1 **Compliance:** The supplier shall comply with all applicable laws and regulations in the countries where the supplier operates. The supplier must also demonstrate compliance with international laws and regulations on human rights (ILO’s Fundamental Principles), international trade (export controls, sanctions, and reporting obligations), data protection and anti-trust/competition laws.
- 1.2 **Bribery:** All forms of bribery, corruption, extortion, or embezzlement are prohibited, and the supplier must demonstrate that it has adequate procedures in place to prevent bribery in all commercial dealings.
- 1.3 **Responsible Sourcing of Materials:** The supplier shall exercise due diligence on relevant materials in its supply chains. The supplier shall develop due diligence policies and management systems in order to identify risks and take appropriate steps to mitigate them. Due diligence shall be conducted to the materials processing level to determine whether relevant materials originate from regions with high risks. These high-risk areas include those associated with conflict, the worst forms of child labor, forced labor and human trafficking, gross human rights violations (such as widespread sexual violence), or other reasonably objective high-risk activities, including severe health and safety risks and negative environmental impacts.

- 1.4 **Protection of Intellectual Property:** The supplier shall respect intellectual property rights and safeguard customer information. The supplier shall manage technology and know-how in a manner that protects intellectual property rights.
- 1.5 **Gifts and Hospitality:** Gifts and hospitality must be reasonable and entirely for maintaining good business relations, and not intended to influence the outcome of decision making.
- 1.6 **Financial Management:** The supplier must record all commercial dealings accurately and transparently in its record-keeping systems. The supplier shall not conduct any money-laundering activities. Confidential information of Colorcon must not be used inappropriately or to support insider trading activity.
- 1.7 **Conflict of Interest:** All conflicts of interest must be reported to Colorcon so that appropriate action can be taken. Any ownership or interest in the supplier's business by government officials or political parties or a Colorcon employee must be declared prior to entering the business relationship with Colorcon.
- 1.8 **Whistle-Blower Protections:** The supplier must protect whistle-blower confidentiality and prohibit retaliation against workers who report workplace grievances. The supplier must have a mechanism in place for workers to submit their grievances anonymously and demonstrate that these are investigated and reviewed.
- 1.9 **Audits and Assessments:** Colorcon reserves the right to audit compliance with this Policy. If Colorcon becomes aware of any violation of the Policy, via audit or otherwise, the supplier shall act promptly to correct the situation and ensure compliance with this Policy.

## Section 2: Human Rights and Labor Practice

Colorcon believes all workers in its supply chain deserve a fair and ethical workplace. Workers must be treated with dignity and respect, and Colorcon's suppliers shall uphold human rights standards. As a minimum, suppliers are required to comply with all applicable laws and regulations regarding working conditions and labor standards. Where local laws are less stringent than the ILO's Fundamental Principles, the ILO's Fundamental Principles will apply, unless prohibited by such local laws.

- 2.1 **No Forced Labor:** The supplier shall ensure that all work is voluntary. The supplier shall not use any enslaved, involuntary, forced, prison or debt bondage labor of any kind. The supplier will not be involved in human trafficking activity or any activity that promotes modern slavery. The supplier shall not use any corporal punishment, physical or psychological abuse, or threats of violence or coercion to secure or keep its employees. No original copies of employee identification documents (passports or identity papers) will be kept by the supplier. There should not be any unreasonable restrictions on the ability of the employee to leave the workplace and find alternative employment.
- 2.2 **No Child Labor:** The supplier shall comply with all laws preventing child labor. Only workers who meet the minimum legal age requirements of the country in which they are working shall be permitted to work. At a minimum, children should be at least 15 years old and have completed compulsory education, whichever is greater. If there is any doubt about minimum age of employment, the ILO's Minimum Age Convention, 1973 (No. 138) should be applied.  
  
The supplier shall not allow workers under the age of 18 to work night shifts or be involved in any hazardous work as specified in the ILO's Worst Forms of Child Labour Convention, 1999 (No. 182).
- 2.3 **Wages, Benefits and Working Hours:** The supplier shall adhere to all applicable laws regarding working hours, wages, social security payments and overtime payments. Workers shall be paid at least the minimum legal wage or better. Where there is no legislated minimum wage, the supplier must be able to demonstrate that an employee's wages meet industry norms. Wages shall be paid promptly and in full.  
  
The supplier will limit working hours and overtime to levels that are humane and safe and will ensure productive working conditions. All overtime shall be voluntary. Workers shall receive annual leave and public holidays in accordance with local law.

- 2.4 **Employment Contracts:** All employees shall be provided with written and understandable information in their local language about their employment conditions in respect to wage, benefits and working hours.
- 2.5 **Deductions:** Using deductions from basic wages as a disciplinary measure is prohibited. Disciplinary measures must be based on documented disciplinary procedures that are communicated to all staff. All instances of disciplinary action shall be recorded.
- 2.6 **Freedom of Association:** The supplier shall respect its employees' right of freedom of association, including the right to collective bargaining, the right to join a trade union and all other workplace rights as mandated by legislation. Where there is legislation that mandates the election of work representatives or the establishment of joint consultative mechanisms, the supplier shall make sure these are in place.
- The supplier shall ensure that representatives of trade unions and their associated activities are not subject to discrimination and are able to undertake their representative functions in the workplace.
- 2.7 **Discrimination and Harassment:** The supplier will comply with all local laws and regulations regarding unlawful discrimination.
- The supplier shall not discriminate directly or indirectly against its employees in relation to compensation, access to training, promotion, termination, retirement, or any other aspect of their work. This is in relation to their race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership, political opinion, HIV/AIDS status, or any other characteristic that might give rise to discrimination.
- 2.8 **Privacy:** The supplier shall protect the employees' privacy whenever the company gathers employee information for genuine use.
- 2.9 **Immigration Compliance:** The supplier may only engage workers who have a legal right to work. If the supplier engages foreign or migrant workers, such workers must be engaged in full compliance with the immigration and labor laws of the host country.
- 2.10 **Grievance Processes:** The supplier shall have a formal grievance mechanism for workers to report incidents of harassment, abuse, breaches of privacy or other concerns. All grievances should be investigated, and appropriate action taken to address the issues raised and to prevent any further occurrence.

### Section 3: Health and Safety

Suppliers shall provide and maintain a safe work environment and integrate sound health and safety management practices into their businesses. Workers shall have the right to refuse unsafe work and to report unhealthy working conditions.

- 3.1 **Health and Safety Permits:** The supplier shall obtain, keep current, and comply with all required permits and laws regarding health, safety, hygiene, sanitation, fire safety, electrical, mechanical, and structural safety. The supplier shall have a structured health and safety management system in place.
- 3.2 **Management Commitment:** The supplier shall set a policy and objectives for health and safety. A competent and qualified health and safety responsible person will be appointed and will report into an appropriate level of the supplier's organization.
- 3.3 **Investigation:** The supplier shall put in place processes to record and investigate accidents, near misses and first-aid events. This investigation will include a root cause analysis and preventative and corrective actions to prevent reoccurrence. The supplier is prohibited from taking punitive measures against its employees for reporting or having accidents, near misses or first-aid events, unless the employee is shown to be willfully negligent.

- 3.4 **Safe Working Environment:** The supplier shall routinely assess its work environment for health and safety hazards and eliminate, control, or mitigate these identified risks. The supplier shall provide workers with appropriate workplace health and safety training in their primary language. Health- and safety-related information shall be accessible at the point of work. The supplier shall issue its employees with the necessary personal protective equipment, at no cost, to protect their health, safety, and welfare.
- The supplier shall monitor its working environments to assess the exposure of workers and visitors to occupational health hazards, including but not limited to chemical exposure, dust, noise, and fumes.
- 3.5 **Emergency Response:** The supplier must identify and plan for emergency situations, and implement and train its workers on response systems, including emergency reporting, alarm systems, worker notification and evacuation procedures, worker training and drills, first-aid supplies, fire detection and suppression equipment, and accessible exit facilities.
- 3.6 **Contractor Management:** The supplier shall have health and safety processes to ensure effective contractor management.
- 3.7 **Housing Conditions:** The supplier shall provide workers with reasonably accessible and clean toilet facilities and potable water. Supplier-provided dining, food preparation and storage facilities (if provided) shall be sanitary. Worker dormitories, if provided by the supplier or a third party on behalf of supplier, shall be clean and safe and shall provide reasonable living space.

## Section 4: Environmental Standards

Suppliers shall comply with all applicable environmental laws, regulations, permits and standards in relation to their business and operations.

- 4.1 **Environmental Permits and Reporting:** The supplier must obtain, maintain, and keep current all required environmental permits (e.g., discharge monitoring), approvals and registrations.
- 4.2 **Hazardous Waste Management:** The supplier must effectively identify and manage the safe handling, movement, storage, and disposal of chemicals and other substances that pose a threat to the environment, including providing workers with appropriate training on the safe-handling and disposal of hazardous substances.
- 4.3 **Management of Environmental Impact:** The supplier should manage compliance, minimize environmental impact, and drive continual improvement of its environmental impact program through the implementation of a supplier management system.
- 4.4 **Monitoring and Measurement:** The supplier should develop robust means by which it identifies and monitors the environmental impacts of its activities. This should include its use of materials, and waste and emissions impacts. The supplier must be able to demonstrate compliance with permits and show effective control of its impacts.

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If the supplier is subject to enforcement action, such as fines of prosecution as a result of compliance failures, these will be notified to Colorcon

The information contained in this document is proprietary to Colorcon and may not be used or disseminated inappropriately.

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