

## 1. PURPOSE

The supplier code of conduct defines CampusPharma's requirements on suppliers' practices regarding social, environmental, and ethical responsibility. It also defines associated due diligence measures.

## 2. INTRODUCTION

CampusPharma shall operate in an ethically, socially, environmentally, and economically sustainable way. We want to contribute to a sustainable development, by ensuring that we do not negatively impact people or the planet in any part of our supply chain and by, where it is possible, providing positive contributions to a sustainable society.

CampusPharma expects that our suppliers and partners ensure that these expectations are met by signing this code of conduct.

The requirements in this code of conduct are based on the UN Global Compact, the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Business Conduct.

- **Section 6** covers the topical requirements on:
  - Human rights and workers' rights
  - Environment
  - Anti-corruption
- **Section 7** covers our expectations on our suppliers' due diligence practices and routines.

This code of conduct is based on developing sustainability legislation relevant to large European pharmaceutical companies, and related requirements also covering smaller European pharmaceutical companies.

## 3. SCOPE

The requirements apply to both suppliers' own operation and to their supply chains.

Suppliers are required to forward requirements that are equivalent to this code of conduct to their own suppliers.

## 4. FOLLOW-UP ACTIVITIES

As part of CampusPharma's internal sustainability due diligence, it is important to ensure that we are able to follow up on conditions in our supply chains. It is therefore a requirement that suppliers permit and participate in such follow-up activities, which may take place in form of:

- Self-assessment questionnaires
- Audit of suppliers (by CampusPharma or representatives)
- Dialogues and supplementary document reviews as relevant to understand compliance to this code of conduct.

## 5. NON-COMPLIANCES

Should a non-compliance regarding the requirements defined in this code of conduct be identified, suppliers shall be responsible for setting up a corrective action plan.

For critical non-compliances – defined as forced labour, child labour, severe working environment risks that pose threat for the lives of employees, severe environmental harm and large-scale corruption – immediate actions must be taken to ensure immediate safety for affected workers, other rightsholders or the environment.

## 6. TOPICAL REQUIREMENTS REGARDING SUSTAINABILITY

Human rights and workers' rights, environmental protection, and anti-corruption.

### 6.1 Human rights and workers' rights

CampusPharma expects our suppliers to respect and comply with the internationally renowned set of human rights<sup>1</sup> and all applicable national legislation concerning human rights and workers' rights. Due diligence for upholding these requirements along the value chain shall be carried out by the supplier in accordance with section 7. Should a conflict between national or local regulations and the internationally renowned set of human rights arise, the stronger protection for rightsholders should take precedence.

#### 6.1.1 Freedom of association and the right to collective bargaining shall be respected

- a) Workers, without distinction, shall have the right to join or form trade unions of their own choosing and to bargain collectively.
- b) The employer shall adopt an open attitude towards the activities of trade unions and their organisational activities.
- c) Workers representatives shall not be discriminated against and have access to carry out their representative functions in the workplace.
- d) Where the right to freedom of association and collective bargaining is restricted under law, the employer shall facilitate, and not hinder, the development of parallel means for independent and free association and bargaining.

#### 6.1.2 Employment shall be freely chosen

- a) There shall be no forced, bonded or involuntary prison labour.
- b) Workers shall not be required to lodge "deposits" or their identity papers with their employer and shall be free to leave their employer after reasonable notice.

#### 6.1.3 Child labour shall not be used

Child labour is defined as any type of activity or work which by its nature, or the circumstances in which it is carried out, is likely to jeopardise or to be harmful to the intellectual, physical, social or moral development of persons under the age of 18.

Persons under the age of 18, but at least 15 years old (young workers) can however have the right to work if the work in its nature is not hazardous<sup>2</sup>.

- a) There shall be no recruitment of child labour (with exceptions permitted for young workers according to the provided definition of child labour and its preconditions for young workers).
- b) Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.

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<sup>1</sup> A range of topics regarding human rights are elaborated in detail in a large number of international conventions, international law and similar documents. For the purpose of this human rights policy, we define "internationally renowned set of human rights" as the Universal Declaration on Human rights (UDHR), the International Covenant on Civil and Political Rights (ICCPR), the International Covenant on Economic, Social and Cultural Rights (ICESCR), as well as the Convention on the Rights of the Child and the core eight ILO conventions (convention number 29, 87, 98, 100, 105, 111, 138 and 182). Our requirements are based on and aligned with the EU's Corporate Sustainability Due Diligence Directive, the ETI base code and the Swedish procurement agency's model requirements for sustainable supply chains.

<sup>2</sup> For example work carried out during night-time, over long hours, with dangerous machinery/equipment/tools or in an unhealthy environment.

## 6.1.4 Discrimination shall not be practiced

- a) There shall be no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

## 6.1.5 No harsh or inhumane treatment is allowed

- a) Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

## 6.1.6 A safe and hygienic workplace shall be provided

- a) A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
- b) Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.
- c) Employees must have access to all necessary protective equipment without having to pay for it themselves.

## 6.1.7 Fair wages shall be provided

- a) Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.
- b) All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
- c) Wages must be paid directly to the employee within the agreed timeframe and in full.
- d) Leave, including vacation, holidays, sick leave, and parental leave must be approved and compensated in accordance with national legislation.
- e) All employees must be covered by social insurances in accordance with national law.

## 6.1.8 Regular employment shall be provided

- a) To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.
- b) Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or homeworking arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

## 6.1.9 Working hours shall not be excessive

- a) Working hours must comply with national laws, collective agreements, and the provision of below sub-requirements b) to f), whichever affords the greater protection for workers. Sub-requirements b) to f) are based on international labour standards.

- b) Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.<sup>3</sup>
- c) All overtime shall be voluntary. Overtime shall be used responsibly, taking into account the extent, frequency and hours worked by individual workers as well as by the workforce as a whole. It shall not be used to replace regular employment.
- d) The total hours worked in any seven-day period shall not exceed 60 hours, including overtime.
- e) Workers shall be provided with at least one day off in every seven-day period or, where allowed by national law, two days off in every 14-day period.
- f) The company must ensure that the employees have breaks during the working day.

## 6.2 Environment

Suppliers shall carry out their operations and business activities in a way that minimizes environmental impact.

Due diligence for upholding these requirements along the value chain shall be carried out by the supplier in accordance with section 7.

### 6.2.1 National regulations

Suppliers shall carry out their operations in a way that is in compliance with all applicable local and national environmental rules and legislation.

Suppliers shall, upon request, provide a copy of the current environmental permit(s) upheld for the manufacturing site producing products for CampusPharma.

### 6.2.2 International regulations

Suppliers shall carry out their operations in a way that is in compliance with all applicable international environmental legislation, regarding topics such as (but not limited to) biodiversity, trade of endangered species, mercury, persistent organic pollutants (POPs), ozone-depleting substances and the handling, export and import of hazardous waste.

### 6.2.3 Resource efficiency

Suppliers shall continuously work towards increased resource efficiency in operations. This requirement applies to material, water, and energy resources.

### 6.2.4 Substitution

Suppliers shall work to substitute hazardous substances with less hazardous alternatives.

### 6.2.5 Pollution prevention and minimization

In addition to fulfilling requirements on permitted emission levels according to local environmental permits, CampusPharma expects suppliers to work actively to prevent and minimize emissions regarding:

#### a) *Pollution to air*

Suppliers shall work to prevent and minimize emissions to air and not use ozone-depleting substances<sup>4</sup>.

Suppliers shall, upon request, provide the most recent report of control of emissions to air, relevant for the manufacturing site producing products for CampusPharma.

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<sup>3</sup> International standards recommend the progressive reduction of normal hours of work, when appropriate, to 40 hours per week, without any reduction in workers' wages as hours are reduced.

<sup>4</sup> As defined in the Montreal protocol and the Vienna convention.

Suppliers shall, upon request, indicate in which frequency they carry out controls of emissions to air.

*b) Greenhouse gas emissions & Climate impact*

Suppliers shall measure, and upon request report to CampusPharma, their greenhouse gas emissions in scope 1 and 2 (own operations) according to the Greenhouse Gas Protocol.

Where possible, suppliers shall report their emissions in their scope 3 (CampusPharma's sub-suppliers' emissions).

*c) Pollution to water*

Suppliers shall work to continuously minimize emissions to water.

Suppliers shall, upon request, report to CampusPharma the measuring points and frequency of measurements used to measure emissions restricted in environmental permits, in applicable waste streams.

*d) Pollution to land*

Suppliers shall work to continuously minimize emissions to land.

Suppliers shall, upon request, provide the most recent report of control of emissions to land, relevant for the manufacturing site producing products for CampusPharma.

Suppliers shall, upon request, indicate in which frequency they carry out controls of emissions to land.

*e) Waste management*

Suppliers shall ensure a safe and resource-efficient handling of solid waste.

Suppliers shall, upon request, provide CampusPharma with their waste management plan.

## 6.2.6 Environmental rights

- a) Suppliers shall respect the rights of populations to dispose of its natural resources or the right not to be deprived of means of self-provision.
- b) Suppliers shall not unlawfully evict people from their land or unlawfully dispose of land, territories or resources.
- c) Suppliers shall respect indigenous people's right to their land, territories and resources, including the right to informed consent.
- d) Suppliers shall respect all peoples' right to a safe, clean, healthy and sustainable environment. Suppliers shall provide information to the public, including local communities, regarding potential threats to health and safety arising from their operations.

## 6.3 Anti-corruption

Suppliers shall, in all business endeavours, ensure compliance with applicable bribery and corruption legislation in all countries of operation (including operations of business relationships).

Due diligence for upholding these requirements along the value chain shall be carried out by the supplier in accordance with section 7.

Furthermore:

- Suppliers shall not partake in any form of corruption, such as giving or taking of bribes, embezzlement, trading in influence, abuse of power, illicit enrichment, money laundry, facilitation payments, obstruction of justice or negligent financing of bribery.

- Suppliers shall not partake in contracts with the intention of distorting competition or abusing a dominant market position.
- Suppliers shall provide employees with anti-corruption training on a regular basis. New employees or employees in new positions shall be provided anti-corruption training when onboarding their new position.
- Suppliers shall uphold the spirit of tax laws in the places where they operate: Suppliers shall not partake in tax planning schemes where there is any uncertainty regarding its legality or where these have the consequence of artificially moving profits from where the profits have actually occurred to places where profits are not taxed or minimally taxed.

## 7. PROCESS REQUIREMENTS REGARDING SUSTAINABILITY DUE DILIGENCE

Suppliers shall have systematic and documented methods of working, i.e. sustainability due diligence processes in place, to ensure compliance and continuous improvements with regard to the requirements set out in section 6 of this supplier code of conduct.

Sustainability due diligence refers to the process to identify, prevent, mitigate and remedy actual and potential negative impacts to human rights, labour rights, the environment, and anti-corruption.

Sustainability due diligence should be proportional to the risks in the supplier's own operations and its supply chains and shall, at least, include the below elements<sup>5</sup>:

### 7.1 Policy and Management

Suppliers shall integrate the sustainability requirements in policies and management systems. The policies shall

- at least cover the scope<sup>6</sup> and sustainability requirements (see section 6) of this supplier code of conduct,
- have been approved at the highest executive level in the company,
- be publicly available,
- be connected to assigned responsibility for the various part of the sustainability requirements.

### 7.2 Identification of impacts

Suppliers shall identify and assess actual and potential (risks for) negative impacts to the sustainability requirements that they may cause or contribute to, by:

- Mapping out their supply chain and own operations.
- Identifying high-risk suppliers and commodities in the supply chain, and high-risk activities in own operations.
- Regularly analysing risks for negative impacts in both own operations and supply chains.

### 7.3 Mitigation of impacts

Suppliers shall mitigate actual and potential negative impacts to the sustainability requirements that they cause or contribute to, by:

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<sup>5</sup> Further guidance on sustainability due diligence can be found in the OECD due diligence guidance for responsible business conduct : <https://www.oecd.org/investment/due-diligence-guidance-for-responsible-business-conduct.htm>

<sup>6</sup> Including suppliers' sub-suppliers – a requirement to forward the sustainability requirements further down in the supply chain.

- Forwarding the sustainability requirements, at least corresponding to section 6 of this supplier code of conduct, to its suppliers.
- Having in place a process to carry out a closer risk analysis and/or audits and defining action plans for high-risk suppliers and own high-risk operations which have been identified as per section 7.2.
- Having in place and implement routines to stop identified negative impacts from continuing.
- Having in place procedures to disengage from a supplier or other business relationship as a last resort after failed attempts at preventing or mitigating severe impacts.

## 7.4 Follow-up

Suppliers shall have in place procedures to track the implementation and effectiveness of the enterprise's due diligence activities, by:

- Carrying out periodic assessments of own operations and business relationships, to verify that risk mitigation measures to address the most severe identified risks are being pursued or to validate that adverse impacts have actually been prevented or mitigated.

## 7.5 Access to complaints mechanism and remedy

- a) Suppliers shall provide a process and channel for stakeholders to inform the supplier about complaints and reports of suspected or actual negative impacts on any of the areas outline in this code of conduct. The process shall also include routines to handle the complaints and provide answers to the stakeholders involved.
- b) Suppliers shall, in cases where they have caused or contributed to negative actual impacts, provide remedy – on their own or in collaboration with other concerned parties – in an appropriate form, by:
  - as far as possible, restoring the conditions equivalent to the state before or without the negative impact, e.g. by means of compensation, reimbursement, apology or other appropriate action, in a way that is proportional to the extent and severity of the negative impact.