

Cipla Limited

Supplier Code of Conduct

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INTRODUCTION

Established in 1935, Cipla is a global pharmaceutical company focused on agile and sustainable growth, complex generics, and deepening portfolio in our home markets of India, South Africa, North America, and key regulated and emerging markets. Our strengths in the respiratory, anti-retroviral, urology, cardiology, anti-infective and CNS segments are well-known. Cipla is purpose-inspired, responsibility-centered, innovation-driven, integrity and trust-anchored, and excellence-focused in its approach. Our OneCipla Credo makes us a global pharmaceutical firm that consistently cares for life and delivers on its commitment to all stakeholders including patients, regulators, customers, partners, employees, investors and community.

To ensure sustainable sourcing, Cipla works with its suppliers to identify stipulated actions and schedules to achieve desired progress. In line with our purpose of 'Caring for Life', Cipla is committed to integrating these principles into our procurement processes and supplier relationships to foster a sustainable business model. Therefore, the Supplier Code of Conduct (Code), being implemented for all our goods and services suppliers, will act as a guiding principle for business conduct. Cipla expects its suppliers to adhere to the Code for their functioning.

SCOPE AND APPLICABILITY

The Code is applicable to all suppliers, service providers including, service provider/supplier being an individual or an organization, its officers, directors, employees and contractors, and employees of such third parties with whom Cipla enters into contract(s) that directly or indirectly provide services, raw materials, active pharmaceutical ingredients, components, finished goods or other products (hereinafter together referred to as Suppliers) to Cipla.

LEGAL COMPLIANCE

Cipla's suppliers are expected to operate in compliance with all applicable laws and regulations of the countries, states and jurisdictions in which they operate and that of Cipla's contracting entity. This includes, but is not limited to business conduct, product quality, labor and employment practices, health, safety and environmental protection and fair-trade standards. They are expected to conform their practices to any published standards for their industry, obtain all applicable permits and operate in accordance with permit limitations and requirements at all times. Suppliers are encouraged to align with frameworks such as United Nations Global Compact (UNGC) and International Labour Organization (ILO) and obtain certifications from International Organization for Standardization (ISO) such as ISO 14001, ISO 45001, ISO 27001.

CONFLICT OF INTEREST

Suppliers are expected to disclose all such actual or potential conflicts of interest to Cipla as per the procedures/applicable policies that may be communicated to the Supplier including those available on Cipla's Website.

Suppliers shall also provide a Conflict-of-Interest declaration. This declaration is to be provided at the time of associating with Cipla and thereafter on a periodic basis. In addition, Supplier shall also provide this declaration on an urgent basis when such conflicts arise.

FINANCES

It is mandatory for the suppliers to handle their finances responsibly, with integrity, and in compliance with the law.

ETHICS AND BUSINESS CONDUCT

Suppliers are expected to work ethically and demonstrate integrity in all business transactions. They are expected to:

- Uphold standards for fair business practices including accurate and truthful advertising, fair competition, accurate accounting, due disclosure and antitrust compliance.
- Prohibit payment of bribes, illegal political contributions, or other illicit payments or methods for any reason, including the waiver of penalties or fines or the receipt of any other special benefits.
- Safeguard against improper use of intellectual property, including disclosure of confidential or sensitive information, pricing, employee information or patient information and comply with all data and other privacy considerations.
- Not engage in any form of private or public bribery, corruption, or graft.
- Maintain an environment of transparency, collaboration, and innovation.
- Treat animals used in its activities in an ethical and humane manner and follow the principles of replacement, refinement, and reduction of laboratory research through animal testing.
- Engage with Cipla only after appropriate declaration and its express waiver of any Conflicts of Interest.
- Comply with all laws that prohibit money laundering and terror financing. Suppliers should refrain from acquiring, using, or holding monetary proceeds or property acquired through illegitimate means and prevent dealing with any specially designated persons listed by international organizations.
- Comply with all laws that prohibit tax evasion as well as facilitation of tax evasion for its stakeholders.
- Not offer any kind of gifts, irrespective of value to Cipla employees.
- Provide means for their employees to confidentially report concerns or potential unethical activities in the workplace; such concerns should be duly investigated in detail and appropriate corrective actions should be taken post that the action report must be shared with Cipla for issues of direct or indirect consequence to it.
- Create a program to ensure protection of whistleblowers' confidentiality and prohibit retaliation against workers who participate in such programs, in good faith, or refuse instructions that are in violation of the Cipla Code of Conduct.
- Suppliers are required to follow Cipla's responsible sourcing principles and conduct due diligence of critical raw material sourcing.

QUALITY AND PATIENT SAFETY

Our steadfast commitments towards our patients, our consistent focus on quality, patient safety and our ability to deliver superior value to our stakeholders through new products and customer facing initiatives are core to our business philosophy. In line with this, Cipla's suppliers are expected to meet the pre-decided product specifications and quality requirements in order to provide goods and services that consistently meet customers' needs, perform as required and are safe for patients. The product specifications and quality requirements shall be defined in the purchase order / supply agreement / quality agreement, or any other document as agreed by Cipla and its Supplier; also, the Supplier shall enforce strictest standards of data integrity and veracity in certifying quality compliance.

HUMAN RIGHTS, LABOR AND EMPLOYMENT

Suppliers are expected to show dignity and respect towards people. Suppliers are expected to:

- Refrain from engaging in child, forced, bonded, indentured or involuntary prison labor either directly or indirectly through supplier's sub-contractors.
- Safeguard and ethically use confidential information to ensure that company, worker, and patient privacy rights are protected.
- Not discriminate against or harass an individual based on race, color, religion, gender, pregnancy, HIV status, COVID status, health status, sexual orientation, national origin, age, disability, veteran's status, marital status, or political affiliation.
- Not treat or threaten to treat an individual harshly or inhumanely; Harsh or inhumane treatment includes sexual harassment or abuse, corporal punishment, coercion or verbal abuse.
- Provide enough resting periods during the workday and honor agreed upon days off from work and maximum working hours for employees.
- Pay wages for all hours worked and clearly communicate the wages that employees are to be paid in advance of commencing work. Communicate to all employees if overtime is required and the wages to be paid for such overtime.
- Suppliers shall comply with all applicable laws and regulations including applicable wage laws including minimum wages, overtime payout, and all other legally mandated benefits
- Respect workers' rights to make informed decisions, free of coercion, threat of reprisal or unlawful interference regarding their desire to join or not join organizations including trade unions
- Respect worker's rights to bargain collectively without unlawful interference
- Comply with legally mandated applicable wage laws and regulations for all employees and workers. Additionally, suppliers are expected to comply with requirements of collective agreements.
- Protect its employees/workers from over exposure to chemical, biological, physical hazards and physically demanding tasks in the workplace.

- Implement policies and/or procedures to evaluate and address risks of human trafficking (as defined by the United Nations and generally thought of as the recruitment, transportation, transfer, harboring or receipt of persons by threat or use of force, coercion, abduction, fraud, deception, abuse of power or vulnerability, or giving payments or benefits to a person in control of the victim)
- Declare and pursue an active policy promoting full, productive, and freely chosen employment, ensuring work opportunities for all individuals seeking employment, regardless of race, colour, sex, religion, political opinion, national extraction, or social origin. Supplier should provide equal access to employment and opportunities, consistent with Cipla's Human Rights expectations as stands already made known to the Supplier.

HEALTH, SAFETY AND WELL-BEING OF EMPLOYEES

Suppliers are expected to maintain the workplace and any living quarters used to house their employees in a clean, orderly and safe manner. As such they should:

- Implement programs to prevent or control employee exposures to workplace hazards, including chemical, biological, and physical hazards
- Implement programs to manage processes safety and prevent catastrophic events
- Identify and encourage programs that promote access to health programs that positively impact the health of employees
- Identify potential emergency situations, implement preventive measures and be prepared to execute emergency response procedures
- Provide occupational health and safety training

SUSTAINABILITY AND ENVIRONMENTAL RESPONSIBILITY

Suppliers are expected to operate in a sustainable and responsible manner. As such, they are encouraged to:

- Reduce the environmental impact of their operations, including natural resource consumption, materials sourcing, waste generation, wastewater discharges and air emissions.
- Actively measure, manage and disclose their environmental impacts in areas such as greenhouse gases (GHG) emissions, energy and resource efficiency, waste and water management and biodiversity.
- Handle and dispose the hazardous/non-hazardous waste in an environmentally responsible way, and in compliance with applicable regulations.
- Prevent accidental release of hazardous materials into the environment and adverse environmental impact on the local community. Suppliers are expected to have systems in place to ensure the safe handling, movement, storage, recycling, reuse, or management of waste, air emissions and wastewater discharges. Any waste, wastewater or emissions with the potential to adversely impact human or environmental health shall be appropriately managed, controlled and treated prior to release into the environment.

- Implement programs to ensure products do not contain restricted or banned materials.
- Implement programs that recognize, respect and invest in the local community.
- Obtain all required environmental permits, licenses, information registrations and restrictions and thereafter their operational and reporting requirements shall be followed.

MANAGEMENT SYSTEMS

Suppliers are expected to manage their activities systematically to maintain business continuity, meet the standards set forth in this document and to improve their operations continually. As such, they are expected to:

- Demonstrate top management commitment and accountability through policies, objectives, and formal processes
- Implement processes to control documents and records
- Provide resources, including competent personnel and appropriate infrastructure, to ensure conformance to these standards
- Implement processes to control the production of Cipla products and/or materials, manage change effectively and ensure customer requirements are satisfied
- Implement processes to manage non-conformity, incident response and emergency situations related to products, business operations/continuity and these standards, including reporting of certain events to applicable regulatory authorities and Cipla as appropriate
- Provide advance notification of all anticipated supply disruptions to Cipla, irrespective of their underlying factors being expected to rise to a standard of force majeure or otherwise
- Identify and implement improvement actions, including effective complaint investigation, internal audit and corrective action processes
- Establish training programs towards ensuring their managers and employees have the necessary knowledge and understanding of the Cipla Supplier Code of Conduct, along with the applicable laws and regulations and generally recognized standards.

TRANSPARENCY AND DISCLOSURE

Suppliers are expected to make reasonable efforts to disclose (for example, on a website or a publicly available report) topics and goals that are important to the organization's impact on the environment and social issues. Among the issues that Cipla encourages its suppliers to review and be transparent about, are as follows:

- Energy, Waste and Water Use/Reduction and Environment protection measures
- Employee Health, Safety and Wellness Programs
- Community and Human Rights Investments

MONITORING AND COMPLIANCE

Suppliers shall review their operations to ensure their compliance to all applicable legal requirements and their conformance to these standards and/or comparable industry-approved standards. If Cipla, or a regulatory agency, or an auditor identifies areas of non-compliance, the supplier is expected to develop, document and implement plans to remedy such non-compliance.

Cipla may engage in monitoring activities to confirm a supplier's compliance to these standards, including on-site assessments of facilities, use of questionnaires, review of available information, or other measures necessary to review supplier's performance. Cipla reserves the right to disqualify any potential supplier or terminate any relationship with a current supplier that has failed to conform to these standards.

GRIEVANCE MECHANISM

Suppliers are encouraged to report any suspicious activity or non-compliance to this Code of Conduct. Cipla has a no-tolerance policy to reprisal and will ensure the confidentiality is maintained.

Any questions and clarifications relating to this Policy should be addressed at supplierCOC@cipla.com

Foot Notes:

Version 1.0: Original Policy effective from 12th May 2020.

Version 2.0: Revised Policy effective from 5th August 2024.

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