

Supplier Code of Conduct

May 2021

Introduction

At Douglas, we are proud to recognise that our supply chain delivers quality pharmaceutical medicines and products to improve the lives of our patients. Our customers trust that we conduct business in a highly ethical and moral manner. We achieve this through our growing commitment to socially and environmentally responsible procurement, and compliance with all applicable laws and regulations.

Our aim is to achieve quality and excellence in everything that we do, and we expect this commitment from our suppliers for all activities.

Where applicable, laws, regulatory authorisations, or contract terms impose stricter requirements than this Code of Conduct, the supplier must comply with those requirements.

Suppliers are expected to manage their activities systematically to maintain business continuity, meet the standards set forth in this Code of Conduct, and to improve their operations continually.

Douglas must be promptly reported of any breach, non-compliance, or violation of this Code of Conduct.

Improving lives

Our mission is to improve lives by providing access to innovative and affordable healthcare solutions.

TOGETHER WE MAKE A WORLD OF DIFFERENCE



One of Douglas' most valuable assets are our supply partners; therefore, we want to ensure that all our suppliers, including suppliers' parents, affiliates, subsidiaries, and its own suppliers, apply the principles in this Code of Conduct. These principles define our minimum standards of conducting business operations.

Any regulatory non-compliances not covered in this Code of Conduct (e.g., manufacturing or health and safety non-compliance) must be reported to Douglas.

The principles expressed in this Code of Conduct are an important component of our supplier selection, evaluation, and retention.

Ethics

Anti-Bribery and Anti-Corruption

Douglas does not tolerate any form of corruption, extortion, or embezzlement as per the Douglas Anti-Bribery and Corruption Policy.

Suppliers shall not bribe any public official, private person, or organisation, nor accept any bribes under any circumstances. Suppliers shall not use intermediaries to commit bribery. Suppliers shall not offer to any Douglas employee any kind of gift or personal benefit which could be perceived as a bribe. Suppliers must act honestly, ethically and with integrity in all company interactions.

Product Security

Suppliers will not be involved in any activity related to counterfeit medicines or illegally traded medicines and will take the necessary steps to ensure the authenticity of medicines through the end-to-end supply chain. Suppliers must promptly report any unauthorised manufacturing or selling of counterfeit products that it becomes aware of, associated with Douglas.

Data Protection and Privacy

Suppliers must comply with data privacy laws, including those that cover the cross-border transfer of personal and business data, and only collect and store personal and business information as strictly necessary for legitimate business purposes. All commercially reasonable steps must be taken to securely store and manage personal and business information.

Suppliers shall only use and/or disclose personal and business data with the consent of the data owner. This includes having systems and procedures in place to protect against unauthorised access to personal and business data. Suppliers shall not use or disclose any information belonging to Douglas to any third parties, except as required or authorised in writing by Douglas.

Animal Welfare

Suppliers must not conduct animal testing in connection with Douglas products without the explicit consent of Douglas.

If animal testing is absolutely necessary, and is undertaken with Douglas' consent, suppliers must minimise the number of animals used and conduct testing using the most humane scientifically valid protocol. Animals shall be treated respectfully, with discomfort, pain and stress minimised.

Fair Business Practices

Douglas competes on the basis of fair play and respect for market laws. It does not tolerate deceitful, fraudulent or malicious conduct that could drive the company to obtain inappropriate advantages. Suppliers must conduct their business in line with fair competition and in accordance with all applicable antitrust laws.

Suppliers shall ensure that all its advertising and promotional activities are accurate, truthful and not misleading or deceptive.

Suppliers should comply with good social responsibility practices, and comply with any restrictions placed on materials from contentious areas.

Intellectual Property

Suppliers must respect Douglas and third-party intellectual property rights, and international intellectual property laws. Suppliers must not use Douglas' name or marks for any purpose without Douglas' written consent.

All necessary and appropriate measures must be taken to ensure intellectual property connected with Douglas products are not disclosed to any third party without the written consent of Douglas.

People

Freedom of Association

Suppliers shall respect the rights of employees, as set forth in local laws, to associate freely, bargain collectively, join or not join labour unions, seek representation, and join employees' councils.

Anti-Discrimination

Suppliers are expected to provide a workplace free of any type of discrimination based on age, gender, race, colour, religion or belief, ethnic or national origin, sexual orientation, political affiliation, union membership, physical ability, or marital status. In this regard and if mandatory under supplier's national law, suppliers will promote equality within their organisation.

Social Security

If required by their national law, suppliers shall comply with the social security regulations including timely payment of the relevant contributions.

Local Community

Douglas seeks to engage suppliers that share a passion for creating positive outcomes for their local communities. Suppliers should listen to the concerns of local residents or communities and provide healthy and safe living conditions for those residents or communities. Suppliers should also support local job creation, local sourcing, and the provision of local education, training, and infrastructure.

Identification of Concerns

Suppliers' employees should be encouraged to report concerns or illegal activities in the workplace without threat of reprisal, intimidation, or harassment. To this effect and if mandatory under their national law, suppliers will enable reporting channels for their employees. Suppliers will investigate such reported situations and take corrective actions if needed.



People

Fair Treatment

Workers must not be subject to inhumane, harsh, or unreasonable treatment, including sexual harassment, sexual abuse, physical punishment, mental or physical coercion or verbal abuse. Suppliers must ensure that adequate policies and procedures are in place so that all workers receive fair treatment. These policies and procedures must be regularly communicated to all workers. Any workers, particularly supervisors and managers, found to be mistreating other workers must be disciplined or terminated accordingly.

Child Labour

Douglas does not tolerate any form of child labour in our supply chain. "Child" refers to persons under the age of 15, or under the age for completing compulsory education or under the minimum age of employment, under local law (whichever age is higher). All workers must not be required to perform work that is likely to jeopardise their health or safety. Work shall not interfere with education or be harmful to mental, social or moral development. If a child is found to be working for a supplier, the supplier must remove the child from the workplace immediately and put plans in place to support the child.

Voluntary Employment

Douglas does not tolerate any form of slavery, servitude, forced labour and human trafficking in our supply chain. Work must be voluntary. Workers must be free to leave their jobs. Workers must be paid in full for their work. Workers must not be obliged to hand over personal property or identity documents (including passports or work permits) as a condition of employment. There shall be no unreasonable restrictions on workers' freedom of movement. Workers must not be required to pay any money (or relinquish any part of their earnings) to secure a job or other employment-related benefits.

Working Conditions

Suppliers must pay employees according to applicable wage laws, including minimum wages, overtime hours and mandated benefits. In this regard, wage payment will take place in a timely manner according to labour regulations applicable to the supplier.

Suppliers must have working hours that comply with national laws and must communicate with the employee, the basis on which they are being compensated in a timely manner and/or whether overtime is required and subsequently, the wages to be paid for such overtime. In no case shall working hours and overtime exceed the maximum thresholds set forth in the applicable labour regulations.

Minimum Employment Conditions

Supplier must respect the minimum hiring and employment conditions established by the regulations in force.

Suppliers shall not use forced, bonded, or indentured labour or involuntary prison labour.

Conflict Materials

Conflict minerals are minerals that directly or indirectly fund armed groups, fuel forced labour and other human rights abuses, and support corruptions and human rights abuses.

Suppliers to Douglas will conform to the due diligence requirements mandated in the 'Due Diligence Guidance for Responsible Supply Chains from Conflict-Affected and High-Risk Areas' (OECD Guidance) and provide assurance that goods supplied to Douglas do not contain any minerals or their derivatives (including tungsten, tin, tantalum and gold, i.e. '3TG') from which the proceeds from extraction, refining or transportation contribute to perpetuation of armed conflict, violence and human rights abuses.

Environment

Waste and Emissions

Suppliers shall identify all waste from their operations and ensure systems and processes are in place to manage the handling and disposal of waste safely and appropriately, in accordance with local regulations and international conventions. Suppliers will minimise the generation of waste through avoidance, reuse and/or recycling procedures.

Wastewater

Suppliers will measure, test, control and treat industrial wastewater before released into the natural environment.

Environmental Authorisations

Suppliers must always comply with the current environmental legislation. All required environmental permits, licenses, information registrations and restrictions shall be obtained, and their operational and reporting requirements followed.

Resource Reduction and Conservation

Suppliers are to ensure the efficient use of resources (including water, energy, and materials), through practices, where applicable, such as maintenance, material substitution and recycling and reusing materials.

Suppliers shall have processes and systems in place to optimise the use of all resources in a sustainable manner. Suppliers shall invest and engage in the development and use of environmentally friendly processes and technologies.

Spills and Releases

Suppliers must have systems in place to prevent or mitigate accidental spills and releases into the environment.

Climate Change

Suppliers will make effort to progressively measure their greenhouse gases emissions and attempt to voluntarily reduce them. Minimising pollution from supplier activity is key.

Hazardous Materials

Chemicals (and other materials) posing a hazard to the environment if released are to be specially managed to ensure safe handling.

Suppliers shall regularly review the use of hazardous substances with a view to substituting them with less hazardous alternatives where practical.



Occupational Health & Safety

Minimum Standards

As a minimum, suppliers will provide their employees with adequate lighting and temperature, potable drinking water, ventilation, sanitation, fit for purpose personal protective equipment, as well as with equipped and safe workstations.

Suppliers shall protect employees from unhealthy exposure to chemical, biological, psychological, and physical hazards in the workplace.

In accordance with occupational health and safety regulations, suppliers shall evaluate the risks of the work positions and will provide their employees with the necessary information, equipment and training to minimise the occupational risks accordingly.

Quality

Douglas' suppliers are expected to meet agreed upon product specifications and quality requirements to provide goods and services that consistently meet applicable international quality regulations and Douglas' needs, perform as intended and are safe for their intended use.

These product specifications and quality requirements, where applicable, shall be defined in a supply agreement and/or a quality agreement between Douglas and the supplier.

Douglas requests its suppliers the commitment to fulfil the quality standards applicable to each supplied product, as it is defined by the relevant health authorities. Douglas defines and may perform periodical audit plans of its suppliers to ensure such quality standards are adhered to.

Process Safety

Suppliers shall operate and maintain all their facilities in the safest manner possible.

Emergency Preparedness

Suppliers shall identify and assess emergency risk situations in the workplace to minimise their impact by implementing emergency plans and response procedures. Emergency response procedures should be practiced and/or review on a regular basis to ensure that they are effective.

Hazard Control

Suppliers shall have documented systems and procedures in place to identify and (where possible) measure and manage hazards (or hazardous materials) and prevent or mitigate the risks of harm.

Suppliers should also have systems and procedures in place to investigate and action incidents, and record injuries. Suppliers must comply with any specific safety regulations, labelling or handling requirements, that apply with respect to Douglas products (for example, batch documentation, production records, safety data sheets, etc).

Suppliers shall separately have controls and programs in place to prevent or mitigate catastrophic releases of chemicals or hazardous substances.

Reporting

Workers should be actively encouraged to raise health and safety concerns and report incidents and be empowered to refuse to work in unsafe conditions.

Hazard Information

Safety information relating to hazardous materials (including pharmaceutical compounds and intermediate materials) shall be available to inform, educate, train, and protect suppliers' employees and stakeholders from hazards.