



NextPharma Supplier Code of Conduct

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Table of contents

- Preamble 4
- Ethics 5
 - Business Integrity 5
 - Fair Competition..... 5
 - International Trade Controls 5
 - Conflict Minerals 5
 - Conflict of Interest..... 5
 - Privacy and Intellectual Property 5
 - Data Privacy and Data Protection 6
 - Identification of Concerns 6
 - Animal Welfare..... 6
 - Utilisation of Genetic Resources 6
 - Standards for Conducting Clinical Trials..... 6
- People and Labour..... 6
 - Avoidance of Child Labour..... 7
 - Working Hours, Wages and Benefits..... 7
 - Employment by choice 7
 - Freedom of Association..... 7
 - Inclusion and Diversity 7
 - Local Communities 8
 - Fair Treatment..... 8
- Health, Safety & Environment..... 8
 - Occupational Health and Safety 8
 - Process Safety..... 8
 - Product Safety 9
 - Emergency Precautions, Safety Information, and Training..... 9
 - Natural Resource Conservation and Climate Protection 9
 - Waste and Emissions 9
- Quality 10
 - Quality Requirements..... 10
 - Security and Anti-Counterfeiting Measures..... 10
- Governance & Management Systems..... 10
 - Legal and Other Requirements..... 10
 - Systems, Documentation, and Evaluation..... 11

- Commitment and Accountability 11
- Risk Management..... 11
- Business Continuity 11
- Communication of Sustainability Criteria in the Supply Chain..... 11
- Continuous Improvement 11
- Transparency and Disclosure 11
- Training and Competency 11
- Right to Evaluation 11
- Glossary 12

Preamble

The continuous improvement of our management systems governing environment, health and safety as well as corporate governance and social behaviour helps to improve the quality of life for all of us.

As a company, producing high-quality drugs benefitting the health of everyone, we commit to protecting the environment and the health and safety of our staff, customers and communities. As employer, we do this through implementation of operating standards with respect to labour, health and safety, environment and business ethics.

Peter Burema, Chief Executive Officer, NextPharma

The concept of sustainable development is a globally acknowledged approach aimed at safeguarding economic growth without causing damage to the environment and/or depleting our planet's resources. By the same token, it attempts to enhance the quality of life for today's and tomorrow's inhabitants of the Earth. Sustainability can have a significant impact on an enterprise's success – now and in future.

The proven principles of sustainability are mirrored by the Next Pharma Supplier Code of Conduct and are also an integral part of some of our company's major in-house regulations:

- Sustainability is a defining element of our values and is firmly integrated in our business strategy.
- NextPharma's cross-Group Human Rights Position emphasises our efforts in upholding internationally acknowledged concepts governing human rights and working conditions.
- The Corporate Compliance Policy defines the main legal areas where our staff's compliance with ethical and legal provisions is crucial for our company's prosperity. The sum total of these efforts highlights Next Pharma's commitment to fulfilling its responsibility concerning ethical, social, and ecological standards. It also illustrates how NextPharma Group companies implement the principles of sustainable development in their day-to-day work. Therefore, NextPharma's procurement processes are firmly guided by maxims directing ethical, social, and ecological issues as well as further guidelines ensuring quality assurance and risk minimisation.

NextPharma requires its suppliers to comply with the standards laid down in the NextPharma Supplier Code of Conduct. Over and above this, we expect our suppliers to impose in turn on their contractors such standards as cover the same principles and content as our own Supplier Code of Conduct.

In the event that a supplier contravenes these fundamentals and does not agree to or implement a plan for improvement, NextPharma is entitled to reconsider further co-operation with said supplier.

Our suppliers are therefore provided with this Supplier Code of Conduct with the aim of corroborating our mutual understanding of how these principles are to be implemented in day-to-day operations including resolute efforts to contribute to improving the health of humans, animals and plants.

Ethics

Suppliers committed to respecting their social responsibilities must subject their activities to the values of ethics and integrity. An ethical business conduct is deemed to include the following aspects:

- Business Integrity

Suppliers shall neither practice nor tolerate corruption, extortion, embezzlement or money laundering in whatever form. They must not offer their business partners or government officials any bribes (such as 'facilitation payments') or accept any of the like from them. Suppliers shall not offer NextPharma staff any kind of presents or personal benefits that might be considered a bribe. In any event, presents or hospitality shall not be used to direct a business relationship in an improper way, and shall not contravene applicable laws or ethical standards.

- Fair Competition

Suppliers shall, in their business activities, observe the principle of fair competition and all applicable anti-trust laws.

- International Trade Controls

Suppliers shall comply with the export control regulations applying to their business and provide precise and truthful information about it to customs and other authorities, as required.

- Conflict Minerals

Suppliers must safeguard that the products they supply to NextPharma are free from metals derived from minerals or their derivatives originating from conflict zones which directly or indirectly finance or favour armed groups and where human rights violations are perpetrated or promoted.

- Conflict of Interest

Suppliers are required to inform NextPharma of any situation which might involve a conflict of interest, e.g. if NextPharma employees have job-related, private and/or substantial financial benefits or interests in any of the supplier's business activities.

- Privacy and Intellectual Property

Suppliers must protect any confidential information and may only use it in an appropriate way; they must ensure that the privacy of all employees and business partners as well as valid intellectual property rights are respected. Suppliers shall not use the name or trademarks of NextPharma or our affiliated companies or products in any public or promotional manner without NextPharma's prior written consent.

- Data Privacy and Data Protection

Supplier information systems containing confidential information or data concerning NextPharma shall be appropriately managed and protected from access, use, disclosure, modification or destruction by unauthorised parties. Suppliers shall collect personal data for legitimate business purposes only, use it in a legal, transparent and secure manner, disclose it only to persons authorised to access it, protect it under security policies, store it only as long as necessary, and also bind third parties to protect such personal data insofar they have access to it.

- Identification of Concerns

Suppliers shall encourage their employees to report concerns, complaints or any potentially unlawful conduct in the workplace without having to fear reprisal, intimidation or harassment, and shall provide the appropriate conditions to do so. Such reports shall be treated as confidential. Suppliers shall investigate such reports and take corrective action as required. Suppliers shall notify NextPharma about legal actions, administrative inquiries, or prosecutions if these might impact on the performance of NextPharma orders or be detrimental to the supplier's and NextPharma's reputation. If at any time a supplier or any of their employees thinks that a NextPharma employee has contravened these principles, the supplier or its employee is encouraged to report such concerns to governance@nextpharma.com.

- Animal Welfare

As far as applicable to the suppliers' business, animal testing shall be replaced by alternative methods as far as these are scientifically valid and predictive so that they do not affect the evaluations of the quality or safety of NextPharma's products and are also accepted by the regulatory authorities. Where animal testing is unavoidable, suppliers shall minimise the number of animals used for testing. Furthermore, suppliers undertake to subject animal testing to the most humane scientifically valid procedures complying with the experimental requirements and the specifications of the regulatory authorities. The tests must always respect all applicable laws.

- Utilisation of Genetic Resources

Suppliers shall ensure the fair and equitable sharing of the benefits arising from the use of genetic resources.

- Standards for Conducting Clinical Trials

When conducting clinical trials, suppliers shall apply international guidelines, applicable national and local laws and regulations as well as recognised global quality and safety standards that are applicable to the intended trials. Clinical trials conducted on behalf of NextPharma must always comply with the global principles of Good Clinical Practice and meet the strictest medical, scientific, and ethical canons, specifically the Declaration of Helsinki.

People and Labour

Suppliers shall protect the human rights of their employees and treat them with dignity and respect. This includes the following aspects:

- Avoidance of Child Labour

NextPharma will not tolerate child labour in its supply chain. In line with the core labour standards laid down by the International Labour Organization (ILO) and the principles of the United Nations Global Compact, all our suppliers are required to avoid any form of child labour in their business operations. If a local law stipulates a higher minimum age for work or mandatory education, the higher age applies.

- Working Hours, Wages and Benefits

The working hours of the suppliers' employees must not exceed the maximum limits set by the applicable national law and by ILO standards. Employee salaries shall be paid regularly, timely and fully, as provided by applicable laws, and shall comply with applicable national wage laws. Wages and benefits should aim to provide employees and their families with a fair standard of living. Unless otherwise stipulated by local law, deductions from basic pay are not permitted as disciplinary measures. However, this does not preclude claims for damages based on contractual or legal requirements. Our suppliers are expected to offer their employees fair and competitive wages and benefits and to promote equal pay for equal work. We recommend that our suppliers provide their employees with extensive opportunities for training and development.

- Employment by choice

We do not tolerate slavery, servitude, forced or compulsory labour or human trafficking in our supply chain. Similarly, we shall not tolerate bonded or indentured labour or unwarranted prison labour. Dishonest practices such as the withholding of personal property, passports, wages, training certificates, work papers or other documents are unacceptable.

- Freedom of Association

Suppliers must commit to an open and constructive dialogue with their employees and workers' representatives. Suppliers shall, in conformity with local laws, respect the rights of their employees to associate, to establish or join trade unions, to appoint representatives, to adhere to works councils and to conduct collective negotiations. To ensure that they can fulfil their functions without fear of reprisals or discrimination, none of the Supplier's employees who serve as workers' representatives must be put at a disadvantage.

- Inclusion and Diversity

It is fundamental that one of the pillars of the Suppliers' corporate policy be the equal treatment of all employees. Discriminatory treatment typically – consciously or unconsciously – draws on subordinate characteristics of an employee such as his or her age, disability, ethnicity, marital status, gender, gender expression or identity, genetic characteristics, national origin, physical attributes, political affiliation, pregnancy, religion, social origin, sexual orientation, trade union membership, or other unethical or unlawful criteria. Suppliers must ensure that their employees are not exposed to any kind of harassment. NextPharma encourages suppliers to respect their employees' diversity, thus creating an inclusive and supportive working environment. In addition, NextPharma encourages its suppliers to actively implement a Supplier

Diversity Programme by maintaining business relationships with diverse-owned companies.

- Local Communities

In order to meet their responsibility towards the communities in which they operate, suppliers should heed the concerns of local residents and ensure healthy and safe living conditions. NextPharma encourages its suppliers to create jobs and purchase materials locally, to provide education and develop infrastructure.

- Fair Treatment

Suppliers must ensure that their workforces are not subjected to or threatened with any rude or inhumane treatment, sexual harassment or abuse, corporal punishment or torture, mental or physical coercion and verbal abuse at their workplace. Suppliers are also expected not to terminate any employment contract unfairly or to claim, without clear evidence, that the termination of an employment contract based on an employee's work performance is permitted by law. Employees may terminate their employment at their discretion subject to the statutory notice periods. The work performed up to the time of their departure shall be remunerated punctually and in full as provided by the applicable laws,

Health, Safety & Environment

Suppliers must take adequate precautions for the health and safety of their employees, clients, visitors, contractors, and any other persons who may be affected by their activities. In their operations, suppliers must assume ecological responsibility and ensure the conservation of resources. This includes the following aspects:

8

- Occupational Health and Safety

Suppliers shall provide adequate protection against chemical, biological, and physical hazards for their employees. Physically demanding activities and working conditions as well as risks related to the infrastructure used must be adequately handled to protect their employees. Through appropriate controls, safe working practices, adequate maintenance and the necessary technical protective measures, suppliers must ensure that health and safety risks in the workplace are minimised and that accidents and occupational diseases are prevented. Suppliers must also provide their employees with appropriate personal protective equipment. In order to train workers and protect them from hazards, suppliers are expected to provide safety information on any identified workplace hazards or hazardous substances including compounds in intermediates. A safe and healthy working environment includes, at a minimum, the provision of potable water, adequate lighting, temperature, ventilation, and sanitation and, where appropriate, safe and healthy company-owned living quarters.

- Process Safety

Suppliers must ensure, through appropriate safety programmes, that all their production processes are managed and maintained in accordance with applicable safety standards. Such programmes must be appropriate for the facility and any process risks. Suppliers shall adequately communicate, disclose, and manage any hazards associated with their processes and products to ensure that affected or

potentially affected third parties are protected. Major incidents must be analysed and reported without delay. With respect to hazardous equipment and processes, suppliers shall perform specific risk assessments at regular intervals and implement appropriate measures to prevent the occurrence of incidents such as chemical releases, fires, or explosions.

- Product Safety

Suppliers are expected to comply with product safety regulations, to label products properly, and to submit any instructions as to the handling of products. Where legally required, they shall provide the parties involved with the relevant documentation containing all necessary safety-related information for all hazardous substances. This covers product information, safety data sheets, notification or registration confirmations, and scenarios for use and exposure. Suppliers shall proactively and transparently provide all parties involved with information on health, safety, and environmental aspects of their products.

- Emergency Precautions, Safety Information, and Training

Suppliers shall provide their employees and contractors with safety information on identified workplace-related risks and train them accordingly to ensure that they are adequately protected at all times. Suppliers must identify and assess significant risks and emergency incidents at the workplace, in the neighbouring public space and in any living quarters provided by the company. To minimise the potential impact of such emergencies, adequate fire protection, effective emergency plans and procedures, and regular emergency drills must be in place.

- Natural Resource Conservation and Climate Protection

Suppliers are expected to use natural resources sparingly (e.g. water, energy sources, raw materials) and to conserve them. To safeguard the conservation of renewable natural resources, suppliers make sure to apply generally recognised sustainability standards and certifications established by a wide range of stakeholders. Negative impacts on the environment and climate induced by suppliers or within their supply chain shall be minimised or remediated at their source. Practices shall be consistent with the principles of the circular economy. These include the reduction, substitution, collection, sharing, maintenance, reuse, redistribution, refurbishment, remanufacturing and recycling of materials. Suppliers actively promote the development and application of environmentally safe and climate-friendly products, processes and technologies. Suppliers must have a proven track record of continuous environmental improvement through clear targets and corrective actions, including reductions in raw materials, energy, emissions, discharges, noise, waste, and hazardous substances as well as a lower dependence on natural resources.

- Waste and Emissions

Suppliers must ensure the safe and proper handling, storage, shipment, disposal, recycling, reuse and management of waste, air emissions and waste water discharges. Any activity that may have an adverse effect on human health and the environment must be appropriately managed, measured and controlled. The release of hazardous substances must be minimised, especially with respect to active substances.

Accidental leakage of liquid and gaseous hazardous substances must be prohibited or limited by the supplier.

Quality

Suppliers shall provide high-quality, safe, and effective goods and services complying with all applicable laws and regulations. This includes the following aspects:

- Quality Requirements

Suppliers shall comply with generally accepted quality canons or contractually agreed quality requirements and standards and, on this basis, deliver goods and services that consistently meet the requirements of NextPharma and their clients, perform as warranted and are safe for their intended use. Suppliers must address without delay any critical problems that might impact on the quality of their goods and services. Suppliers must inform NextPharma about any changes in their production or supply processes that might affect the specifications of goods and services they provide.

- Security and Anti-Counterfeiting Measures

Suppliers must ensure that sound security practices are in place throughout their supply chain. They must ensure the integrity of each shipment destined for NextPharma from its point of origin to its destination. Within their area of responsibility, they must take the necessary and appropriate steps to ensure that neither NextPharma products including their processable components or raw materials nor the corresponding know-how fall into the hands of counterfeiters, smugglers, thieves or other unauthorised third parties and do not stray from the legitimate supply chain. Suppliers are obliged to immediately review their relationships with any third party as soon as they learn or receive evidence that they have been unwittingly involved in the manufacture or sale of counterfeit products through said third party's activities; this also applies to the export of products that are considered counterfeit products in their country of destination. NextPharma expects its suppliers to assist in the investigation and prosecution of activities related to counterfeit products.

Governance & Management Systems

Suppliers must have in place effective management systems and a governance structure that facilitate compliance with all applicable laws and promote continuous improvement in view of the requirements laid down in this Supplier Code of Conduct. This includes the following aspects:

- Legal and Other Requirements

Suppliers must be aware of and comply with all applicable international, national, and local laws and regulations, contractual agreements, and internationally accepted standards. In addition, they must at all times conform their practices to generally accepted industry standards; they shall obtain, maintain, and update all required permits, certificates, licences, and registrations, and comply with permit restrictions and requirements.

- Systems, Documentation, and Evaluation

Suppliers shall develop, implement, apply and maintain management systems and controls related to the content of this Supplier Code of Conduct, and document this to the extent necessary to prove their compliance with the principles set out in this Code of Conduct.

- Commitment and Accountability

Suppliers demonstrate their compliance with the principles set out in this Supplier Code of Conduct by providing adequate resources and considering all applicable aspects in their policies and procedures.

- Risk Management

Suppliers must implement mechanisms to continually identify, evaluate and manage risks in all areas addressed by this Supplier Code of Conduct and with respect to all applicable legal requirements.

- Business Continuity

Suppliers are expected to apply appropriate business continuity plans for activities which support the activities of NextPharma.

- Communication of Sustainability Criteria in the Supply Chain

Suppliers takes care that the sustainability principles set out in this Supplier Code of Conduct shall be applied across the supply chain.

- Continuous Improvement

To demonstrate their commitment to continuous improvement, suppliers shall set performance targets, carry out implementation plans, and use adequate corrective actions to address any deficiencies identified through internal or external assessments, inspections, and management reviews.

- Transparency and Disclosure

NextPharma expects their suppliers to provide external reports on their economic, social and environmental impacts as defined in the principles set out by this Supplier Code of Conduct.

- Training and Competency

Suppliers shall establish, implement and update appropriate training measures to enable their executives and staff to have adequate knowledge and understanding of the applicable principles set out in this Supplier Code of Conduct, of the applicable laws and regulations and of generally accepted standards.

- Right to Evaluation

Suppliers shall permit NextPharma to evaluate their performance after reasonable prior notice in order to verify the supplier's compliance with the principles set out in the NextPharma Supplier Code of Conduct. The evaluation may be carried out either directly by NextPharma or by a qualified third party, e.g. in the form of an assessment or an audit.

Glossary

The glossary explains or defines selected terms, organizations and concepts as they are employed in the NextPharma Supplier Code of Conduct.

Conflict Minerals

By current definition, the so-called conflict minerals include mainly the metals tantalum, tin, tungsten and gold (also called 3TG) which are extracted from the minerals cassiterite, coltan and wolframite.

Employees

“Employees” here refers to any staff or personnel engaged or employed by a supplier.

Hazardous Materials

Substances as defined by the Globally Harmonised System of Classification and Labelling of Chemicals (GHS) established by the United Nations Economic Commission for Europe (UNECE).

Human Trafficking

Human trafficking means that recruitment, harbouring or transport are used to systematically put people in a situation where they are exploited and forced through violence, deception, or coercion to work against their will.

International Labour Organisation (ILO)

The ILO is a UN agency that brings together governments, employers and workers from 187 UN member states to set labour standards, develop policies and draw up programmes promoting decent work for all workers.

Personal Information

Personal information includes any information about an identified or identifiable physical person.

Pharmaceutical Supply Chain Initiative (PSCI)

A non-profit business organisation founded by pharmaceutical and healthcare companies striving to establish and promote responsible practices able to continuously improve the social, health, safety and environmentally sustainable outcomes of their supply chains.

Suppliers

Suppliers include any third parties providing goods and services to NextPharma, and their agents or subcontractors.

Sustainability

Sustainability encompasses ethics, human rights (i.e. human rights and industrial law) as well as health, safety and environment.

Sustainability Standards and Certifications

Norms and standards for environmental, social, ethical and safety issues, usually verified by third parties, which companies use to voluntarily demonstrate the performance of their organisations or products in specific areas. Examples include Forest Stewardship Council, Roundtable on Sustainable Palm Oil, Responsible Minerals Initiative, or Rainforest Alliance.

Together for Sustainability (TfS) Initiative

A non-profit business organisation formed by chemical companies striving to create an industry standard for sustainable supply chains. The initiative has established a standardised approach to assessing and improving supplier sustainability performance, and shares assessments and audits with its members.

United Nations Global Compact (UNGC)

An initiative involving the United Nations (UN) and companies whose managements voluntarily commit to implementing ten universal sustainability principles and to supporting the UN's Sustainable Development Goals (SDGs), among others.



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