

# SUPPLIER CODE OF CONDUCT

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## A MESSAGE FROM THE CHAIRPERSON

Our Values and Code of Conduct serve as guides for how we perform our work and conduct business, with the highest levels of integrity and ethical standards. The Values that guide the culture of Piramal Pharma Limited (hereafter known as “Company”, including all subsidiaries) are embodied in our purpose of *‘Doing Well and Doing Good’*. We believe that individual success and organizational growth cannot be mutually exclusive from responsible and ethical business practices.

**Driven by the values and culture**, over the past five decades, the Piramal team have broadened their products and solutions portfolio. Over the years Piramal Pharma Limited (PPL) has established itself as one of the finest companies having a presence across four major segments i.e., *Piramal Pharma Solutions (PPS), an integrated Contract Development and Manufacturing Organization (CDMO), Piramal Critical Care (PCC), a Complex Hospital Generics business, and the India Consumer Healthcare business selling over-the-counter products*. PPL’s values have been a guiding force that defines and builds our behaviour and helps us act with integrity and do the right thing in every situation.

**Considering the ever-changing environmental** conditions, the PPL team has been proactively adopting and implementing sustainability principles throughout its supply chain. PPL is integrating the key aspects: *Climate & Environment, Labor & Human Rights, Sustainable Procurement, Business Ethics & Integrity, and Management systems*.

**Piramal Pharma’s long-term sustainable business growth** will be driven by the PPL value system and additionally, the deeper sustainability frameworks defined by four key aspects. This will apply to Piramal Pharma Limited globally including Piramal Pharma Solutions, Piramal Critical Care and Consumer Products Division and other business entities linked with PPL. PPL works with multiple business partners, so it is imperative to maintain the highest standards in the entire value chain. PPL, together with all business partners, can maintain and enhance the trust of our customers and stakeholders and, ultimately, deliver our purpose by developing a sustainable solution for our plant.

If anyone is uncertain whether our action is ethical or has a question about the code of conduct, we can reach out to specific SPOC – procurement manager or department head, or legal & compliance or HR representative.

Now, more than ever, building a great Company requires an unwavering commitment to the highest ethical standards. Each of us is accountable for doing the right thing, in all of our professional responsibilities.

**Nandini Piramal**  
**Chairperson**  
**Piramal Pharma Limited**

## OUR VALUES

At the Company, we are guided by our Values of Knowledge, Action, Care and Impact. These Values represent our deeply held beliefs and define us at the individual, as well as organizational, level. We believe that society and business are best served by responsible business behaviours and practices. Fundamental to this belief is the understanding that a business must, at a minimum, operate in full compliance with all applicable laws, rules, and regulations in the geographies where we conduct business. We remain mindful of differences in culture and the challenges associated with interpreting and applying these principles globally but believe that our expectations are universal.

### *Knowledge*

#### **Expertise**

We strive for a deeper understanding of our domain

#### **Innovation**

We aspire to do things creatively

### *Action*

#### **Entrepreneurship**

We are empowered to act decisively and create value

#### **Integrity**

We are consistent in our thought, speech and action

### *Care*

#### **Trusteeship**

We protect and enhance the interests of our customers, community, employees, business partners and shareholders

#### **Humility**

We aspire to be the best, yet strive to be humble

### *Impact*

#### **Performance**

We strive to achieve market leadership in scale and profitability, wherever we compete

#### **Resilience**

We aspire to build businesses that anticipate, adapt and endure for generations

## GENERAL PHILOSOPHY AND APPLICABILITY

The Company is committed to the highest standards of ethical conduct in all business activities. This Code reflects the business practices and principles of behaviour that are acceptable, in support of this commitment. Our business partners consisting of suppliers, service providers, and subcontractors, play a vital role in upholding the effectiveness of Sustainable Supply Chain Policy for sustainable business growth and continual improvements. The sustainable supply chain policy governs business partners to support PPL in the Net Zero journey while maintaining sustainable and ethical business practices.

PPL encourages business partners to adopt and implement frameworks such as [Pharmaceutical Supply Chain Initiative \(PSCI\) principles](#), [EcoVadis](#), [UN SDG goals](#) and [Carbon Disclosure Project \(CDP\)](#). Our partners shall comply with country-specific and/or applicable international obligations while adopting the Supplier code of conduct to meet the requirements of the revisions in global procurement policy (Sustainable supply chain (SSC) aspects).

At Piramal Pharma Limited, we require all our business partners to explicitly acknowledge and adhere to the principles and points as defined under this Supplier Code of Conduct (SCC). All business partners must ensure that their own suppliers appropriately ensure compliance with these principles along their own supply chains.

All our business partners shall also ensure that Piramal Pharma Limited has the wilful rights to verify compliance with this Supplier Code of Conduct through our Supplier Sustainability Audits / visit to review the overall adoption and review of Standard operating practices (SOPs) that ensure the following of code of conduct.

Suppliers who fail to meet Piramal Pharma's expectations on the topics outlined in this Supplier Code of Conduct (detailed out based upon the requirements as defines in the PPL/SCM/FY2014-15/1000 Revision 1) might be disqualified from inclusion in Piramal Pharma supplier portfolio and subsequently omitted from our supplier's list. Based upon the PPL's robust evaluation programme for the SSC; PPL may offer more opportunities and benefits in new process development and supply chain selection to suppliers who actively engage in adoption of sustainable solutions (water, energy, waste, and sustainable procurement). In order to fully integrate sustainability and achieve the long-term net zero commitments, PPL suppliers will play a vital role and will serve as an opportunity to further reinforce our sustainability vision for the pharma sector.

This Code is not intended to be a comprehensive rulebook and cannot address every situation that business partners may face. The underlying directive is that Business partners must ensure that their actions are legal and consistent with the highest standards of business ethics and integrity, in all business activities. Link for the details - <https://www.piramalpharmalimited.com/>



The Company is committed to continuously reviewing and updating its policies and procedures. Therefore, the Company reserves the right to amend, alter or terminate this Code at any time and for any reason, subject to applicable law.

## MANAGEMENT AND GENERAL REQUIREMENT

### a. EXPECTATIONS

All business partners are expected to adhere to the principles contained in this Code, as well as all applicable laws and regulations in the countries and jurisdictions where they operate. Additionally, all business partners at every level are expected to promote honest and ethical conduct in every activity related to their role at the Company, and to adhere to all policies and procedures.

### b. Compliance with this Supplier Code of Conduct (SCC)

These terms are broadly based on Piramal's general code of conduct as amended from time to time and are subject to periodic updates. The Supplier shall at all times ensure that it complies with the obligations set out in this Supplier code of conduct previously called Business Code of Conduct for Supplier (BCFS). The supplier shall, upon the request of Piramal, provide evidence of its compliance with the obligations set out in this SCC. The supplier shall use all efforts to ensure that all members of its Group of companies and all its sub-Vendors involved in the supply of products and/or services to the Piramal group of companies comply with the requirements set out in this SCC.

### c. Commitment and Accountability

The supplier shall demonstrate commitment to the concepts described in this document by allocating appropriate resources.

### d. Legal and Customer Requirements

The supplier shall identify and comply with all applicable laws, regulations, standards, and should adhere to relevant customer requirements.

### e. Non retaliation

We do not tolerate retaliation against those who raise concerns. If you seek advice, raise a concern, report misconduct, or provide information pursuant to an investigation, you cannot be retaliated against for having done so. If you believe that you or another colleague has been retaliated against for any reason, report the matter, so that it can be investigated.



The Code applies to all business partners while working with PPL, where the business of the Company is being conducted.

**f. Risk Management**

The supplier shall have mechanisms to determine and manage risks in all areas addressed by this document.

**g. Documentation**

The supplier shall maintain documentation necessary to demonstrate conformance with these expectations and compliance with applicable regulations.

**h. Training and Competency**

The supplier shall conduct necessary and adequate training programs covering the broader objective to achieve an appropriate level of knowledge, skills and abilities among management and workers to address these expectations.

**i. Continual Improvement**

The suppliers are expected to continually strive for improvement by setting performance objectives, executing implementation plans and taking necessary corrective actions for deficiencies identified by internal or external assessments, inspections, and management reviews.

**j. Assurance, Audit and Termination**

Piramal reserves the right to verify the Supplier's and all members of its Groups of companies' compliance with this SCC through one or a combination of several assurance processes. Such assurance processes can include a requirement for the Supplier to report relevant data into a third-party data-exchange system and/or pre-announced inspections by Piramal or third-party auditors. Reporting and/or inspections shall be requested and performed in such a manner as to avoid unrestricted disclosure of Piramal's confidential information and without disrupting Supplier's work unduly.

If Piramal becomes aware of any actions or conditions not in compliance with this SCC, Piramal can demand that corrective measures be taken. Piramal reserves the right to terminate any purchase or other agreement with the Supplier if it or any member of its Group does not comply with the SCC, without incurring any liability towards the Supplier or its Group.

The obligations under this SCC shall continue in force in respect of any deliveries from the Supplier to Piramal or its Group, regardless of the termination or expiry of any purchase or other agreement between the parties.

**k. Additional Obligations**

The obligations under this SCC are in addition to the Supplier's other obligations pursuant to any purchase or other agreement in place with Piramal, including any changes in Piramal's Code of Conduct and/or any member of Piramal group.

## CLIMATE AND ENVIRONMENT

### a. Environmental Requirements

The supplier must operate with care for the environment, run its business in an environmentally sound manner, and demonstrate a precautionary approach to environmental impact reduction. The Supplier shall maintain an environment management system and demonstrate a high level of environmental protection in sourcing, manufacturing, and transportation activities. Suppliers should ensure that transportation of any consignment abides by all applicable laws and regulations.



### b. Environmental Authorizations

Suppliers shall comply with all applicable environmental laws and regulations. All required environmental permits, licenses, information registrations, chemical registrations and restrictions should be obtained, and their operational and reporting requirements must be followed.

### c. Carbon footprint reporting

The supplier shall develop mechanism and processes to monitor the Scope 1 emission on a continual basis and report to PPL team on annual basis. Scope 1 emissions are direct greenhouse (GHG) emissions that occur from sources that are controlled or owned by an organization (e.g., emissions associated with fuel combustion in boilers, furnaces, vehicles). Supplier shall develop mechanism and processes to monitor the Scope 2 emission on a continual basis and report to PPL team on annual basis. Scope 2 emissions are indirect greenhouse gas (GHG) emissions that result from an organization's energy use. such as purchase of energy from a utility provider, such as electricity, steam, heating, and cooling.

The suppliers shall quantify carbon footprint based on globally acceptable standards and report the same to PPL annually in the specified formats (Shared by PPL team). Suppliers are encouraged to quantify, disclose, and take action to reduce greenhouse gas emissions and support their suppliers to do the same.

The suppliers are encouraged to adopt ISO certification such as [ISO 50001](#), [ISO 14064](#), these certifications, and their continued implementation may support the suppliers to have additional benefits during the due diligence activities and reviews / audits conducted by PPL team periodically to verify the applicability of the different aspects of the policy and code of conduct.

The suppliers are expected to be transparent in their environmental management practices and to embed environmental management principles into their operations. All natural resources should be utilized in an environmentally sustainable way and not contributing to deforestation.

### d. Waste and Emissions

The supplier shall have systems in place to monitor the quality of waste & wastewater, ensure the safe handling, movement, storage, recycling, reuse, or management of waste, air emissions and wastewater discharges. Suppliers

shall implement robust systems / SOPs to ensure the safe handling, movement, storage, recycling, reuse or management of hazardous and toxic waste, air emissions and wastewater discharges. Any waste with the potential to adversely impact human or environmental health shall be appropriately managed, controlled and treated prior to release into the environment.

The suppliers shall take measures to reduce the freshwater consumption in areas of water stress or scarcity and strive to measure and report reduction in water consumption from baseline values on periodic basis to PPL team. Suppliers are encouraged to adopt the zero liquid discharge policy meeting the requirement of the water scarcity guidelines from WHO and UNICEF. Suppliers are encouraged to adopt water neutrality (adopting the measures with objective to reduce water usage to the best extent possible and also offsetting the negative impacts of any wastewater generation from processes), adopt rainwater harvesting, new-age technologies for recycling and treatment of wastewater.

#### **e. Hazardous waste & other toxic waste**

The suppliers shall protect workers in the workplace, and in any supplier provided living quarters and vehicles, by providing a secure, safe, and healthy workplace, minimizing exposure to accidents, injury, and health risks, and complying with all legal and regulatory requirements. Supplier should adopt the SOPs on safety information relating to hazardous materials - including pharmaceutical compounds and pharmaceutical intermediate materials. SOPs and safety information shall be available to educate, train human safety through training and mock drill and protect workers from hazards.

#### **f. Process Safety**

The suppliers must prevent or mitigate accidental spills including discharge of any toxic substance, active pharmaceuticals ingredient (API) into the environment. Also, it is a moral responsibility of the supplier to ensure that waste shall not create any adverse impact on human, animal, marine life and water bodies, endangered species, local ecosystems, and biodiversity.

The suppliers shall adopt measures to conserve natural resources, to avoid the use of hazardous materials where possible, and to engage in activities that reuse and recycle materials. (Definitions of hazardous materials as per EPA US, HSE UK, Government of Canada, Work place information. Suppliers shall also review the guidelines from the country/ region as applicable).

Suppliers are encouraged to use refrigerants with zero ozone layer depletion potential and lower global warming potential; and suppliers shall have programs in place to prevent or mitigate catastrophic releases of chemicals.

#### **g. Worker Protection**

The Supplier shall protect workers from over exposure to chemical, biological, physical hazards, and physically demanding tasks in the workplace and in any company provided living quarters.

#### **h. Emergency Preparedness and Response**

The Supplier shall identify and assess emergency situations in the workplace and any company provided living quarters and strive to minimize their impact by implementing emergency plans and response procedures.



**i. Spills and Releases**

The Supplier shall have systems in place to prevent and mitigate accidental spills and releases to the environment. Suppliers shall ensure 0% spillage and leakage of untreated wastewater to environment during storage, movement, processing, and treatment. Wastewater with the potential to adversely impact human or environmental health shall be appropriately managed, controlled and treated prior to release into the environment.

The supplier should submit Environment Health and Safety (EHS) performance with baseline and improvement indicators annually to PPL team.

**j. Circular economy for Sustainable sourcing and traceability**

The suppliers shall adhere to responsible sourcing principles and carry out due diligence on the sourcing of raw materials and should ensure traceability of at least all critical materials. Suppliers shall maintain documentation necessary to demonstrate conformance with these expectations, and compliance with applicable regulations and guidelines. PPL team may review this documentation during the audits and can seek this information during the compliance checks.

The supplier must comply with customer health & safety requirements relating to packaging material and products. Suppliers are encouraged to adopt innovation across processes to develop environmentally friendly products.

The suppliers shall take all necessary efforts required towards the optimal utilization of resources, improving the efficiency of resource consumption. Also, supplier should adopt and follow the 5R (Refuse, Reduce, Reuse, Repurpose, Recycle) based solutions across supply chain management.



## LABOR AND HUMAN RIGHTS

### a. Working conditions and non-discrimination

Suppliers should ensure that workplace is free from harsh and inhumane treatment including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, verbal abuse of workers and free of any threats at workplace. Suppliers shall ensure no discrimination against workers in any form at the workplace and in entire supply chain. Suppliers shall ensure adequate working conditions in their supply chain with appropriate due diligence and monitoring.

Suppliers must comply with all applicable laws and mandatory industry standards pertaining to minimum wages, overtime pay, bonus, welfare policies, and legally mandated benefits. Suppliers shall ensure right of freedom to choose the employment. Suppliers are encouraged to ensure access to potable water at workplace.

PPL is committed to upholding and respecting all fundamental human rights through the promotion of universal respect for, and observance of, human rights and fundamental freedom as laid down in our [Global Human Rights Statement](#).

### b. Freedom of Association and Right to collective bargaining

Supplier shall ensure the business and its suppliers shall respect worker's rights, to associate freely, seek representations and to join labor unions or workers council / association for bargaining collectively, without unlawful interference.

Supplier are encouraged to facilitate open communication and direct engagement with workers (social dialogue) to resolve workplace safety and compensation issues.

### c. Forced labor and child labor

Supplier shall ensure zero tolerance against indulging practices to include forced labor, bonded or indentured labor, prison labor or human trafficking. Suppliers shall not employ or engage forced labor (paid or unpaid) in any form in its business or with sub-contractors or suppliers. Adopt forced labor rules as defined by International Labour Organization ([ILO](#)).

Suppliers should ensure the age limit for the labor is strongly adhered across the supply chain, i.e., either direct employment or indirect employment through supplier's sub-contractors. Suppliers should ensure that minimum age of the worker for admission to activities that can jeopardize the health, safety or morals of young persons shall not be less than 18 years. Suppliers should ensure annual review of forced labor compliance across business operation & across the supply chain.



Suppliers should at least annually review the implementation of the guidelines of forced labour as per the respective country of operation (e.g., S211, Canada) within their business ecosystem and across the supply chain and make it accessible to its stakeholders.

Supplier should report all measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities.

Suppliers should report to concerned regulatory authority periodically as per requirement of national or international law as per country of operation. Reports with necessary details shall be shared with PPL team on annual basis as per prescribed formats of PPL team.

**d. Governance structure and responsibilities**

Supplier shall ensure awareness and training on health and safety of the workforce involved in hazardous activities. Suppliers must implement policies and governance structure, that demonstrate respect for human rights of all stakeholders impacted its business directly or through supply chain. Suppliers should establish and implement a grievance redressal mechanism for addressing any human rights concern that may arise within the employees, contract labourer and within its supply chain.

Suppliers are encouraged to adopt [ISO 26000](#) which will be beneficial during due diligence activities.

**e. Accessibility and local community**

Suppliers shall ensure to respect the rights of the local communities around their sites including the right to clean and healthy environment. Suppliers to address the priorities of the local development priorities. Supplier shall also address concerns of local communities while designing and implementing their Corporate Social Responsibility programs.

Where applicable, suppliers are encouraged to build new types of partnerships to ensure that their drugs can reach patients in need, especially in developing countries and in rural areas.



**SUSTAINABLE PROCUREMENT**

**a. Material and Procurement**

Supplier shall ensure that procurement of materials shall be done responsibly and ethically sustainable certified palm oil. Suppliers should ensure tracking and reporting the use of conflict minerals (including tantalum, tin, tungsten, and gold) in the parts, components, or materials.

Suppliers shall procure certified sustainable palm oil (CSPO). Suppliers shall conduct a third-party verification process for palm oil production based on trial indicators for no deforestation, no development on peat, no exploitation; from oil producers from where palm oil is directly sourced.

Suppliers are encouraged to diversify their suppliers in value chain and implement an action plan to reduce the impact on Environment Health and Safety (EHS) . Suppliers shall report the EHS annual report to PPL team as per prescribed formats.

Suppliers are encouraged to adopt the [ISO 20400](#); that will be beneficial during due diligence.



**b. Social Governance and Continual Improvement**

Suppliers shall conduct safety training for awareness & protection of workers at workplace exposed to risk of chemical, biological, hazards & physically demanding tasks. Suppliers shall ensure appropriate training curriculum for skill development and capacity building. Develop an effective communication strategy for supply chain network.

Suppliers shall ensure the transparent and public reporting of effective management practices on Environment Social and Governance (ESG). Suppliers shall report the ESG annual report to PPL team as per prescribed formats of PPL team.

Suppliers shall demonstrate conformance & compliance with applicable regulations. Suppliers shall identify & assess all types of emergency situations and implement emergency response plans. Suppliers should identify improvement actions, including effective complaint investigation, internal audit, and corrective action processes.

Suppliers are encouraged to adopt & ensure continual improvement by setting performance objectives and goals, executing implementation plans. Suppliers are encouraged to adopt the [ISO 9001](#) and [ISO 45001](#) standards; those will be beneficial during due diligence.



## BUSINESS INTEGRITY AND ETHICS

### a. Business Integrity and Fair Competition

Suppliers should conduct business with highest ethical standards, while ensuring implementation of zero tolerance anti-bribery mechanism to prevent incidents (private or public bribery, corruption or gifts, illegal political contributions, illicit payments, prohibit money laundering & terror financing).



PPL [Anti-Corruption and Anti Bribery \(ABAC\) policy](#) provides standards and limitations governing the acceptance of entertainment and gifts from any person, organisation, or agency related to, or associated with, PPL’s business activities.

Suppliers must comply with all applicable laws and regulations within the country of operation. Suppliers shall ensure that their financial books and records are in compliance with applicable accounting principles. They will ensure to disclose any potential conflicts of interest and maintain ethical conduct.

#### **b. Animal Welfare**

Suppliers shall treat animals used in testing activities in an ethical and humane manner. They should adopt alternative techniques wherever possible that are scientifically valid and acceptable to regulators.

Suppliers are encouraged to implement the 3Rs: Replacement of animals; Reduction of the number needed; and Refinement of procedures to minimize distress.

#### **c. Data Privacy and Security**

Supplier should respect trade secrets and other confidential, proprietary, and sensitive information or data at all times. Suppliers shall implement management and security systems to protect products, components, ingredients from the risks of adulteration or theft for the purpose of illegal resale. Suppliers shall safeguard and ensure protection of data privacy, protection of IPR & compliance with cyber security. Any suspected breach of the Company's data due to network security systems at supplier's end should be reported to PPL information security team – [infosec@piramal.com](mailto:infosec@piramal.com) immediately.



Suppliers are encouraged to adopt the [ISO 27001 standard](#). Such certification will be beneficial during due diligence.

#### **d. Compliance with Conflicts, Sourcing, Product & Regulations**

Suppliers shall perform due diligence on sourcing all ingredients to promote sustainable procurement across supply chain. Suppliers should implement management systems to minimize the risk of adversely impacting the rights of patients and donors, including their right to access their information.

Suppliers shall abide by the rules, regulations, restrictions, comply with trade sanctions issues by UN, US, and other country. Suppliers shall prohibit employees from insider trading, whether for their or another's profit.

Suppliers shall ensure proper system and mechanism for protection of whistle-blowers' confidentiality. (Piramal Policy can be downloaded from [Link](#)).

**WHO TO CONTACT**

If any business partner believes a situation may involve or lead to a violation of this Code, they have an affirmative duty to seek guidance and report such concerns.

- Seek guidance from a responsible procurement manager.
- Disclose concerns or violations of this Code to the relevant authority (as set out below).

It is the Company’s policy to encourage the communication of bona fide concerns relating to the lawful and ethical conduct of business and related matters. It is also the policy of the Company to protect those who communicate bona fide concerns from any retaliation for such reporting.

No Company policy can provide definitive answers to all questions. Whenever there is doubt about the right ethical or legal choice to make, or questions regarding any of the standards discussed or policies referenced in this Code, business partners should fully disclose the circumstances, seek guidance about the right thing to do, and keep asking until guidance is obtained. The earlier a potential problem is detected and corrected, the better the Company will be in protecting against harm to the Company’s business and reputation.

Concerns related to	Reported to
Financial Reporting and Records	Procurement team, Finance team
Conflict of Interest	Procurement manager, with respect to conflicts of interest related to all other persons
Judicial Orders and Government Investigations	To be directed to Legal & Compliance Department
Confidentiality	All government/judicial requests for information, documents or investigative interviews must be directed to the Legal & Compliance Department.
Any other concerns	Manager / Head of the Procurement Department
Anonymous reporting of concerns	<a href="https://www.speakupfeedback.eu/web/piramal/">https://www.speakupfeedback.eu/web/piramal/</a>

**Global Head of Supply Chain – Piramal Pharma Limited**