

# Supplier Code of Conduct

March, 2021



IHC - I.H. Chempharm GmbH (following IHC) underlines the need for moral and ethical values and we expect our suppliers to respect and adhere to the same philosophy. Therefore, we seek to ensure that all of our suppliers operate in compliance with the terms and conditions of this Code of Conduct. Compliance to this Code of Conduct is a pre-requisite of any agreement or contract between our suppliers and IHC. The goal of this Code is not to hinder any business relationship, but to support our suppliers to improve their social and environmental standards. IHC will work with our suppliers to achieve compliance with the provisions of this Code. We ask you to sign this Code of Conduct to indicate that your company has agreed to comply with the terms stated herein. If there are any issues with compliance, or if you have any questions regarding this Code of Conduct, please contact us immediately.

## 1. Purpose and General Principles

IHC adheres to the principles of this Code and expects the same of its suppliers.

The terms of this Code extends to parent, subsidiary or affiliate entities, as well as all others with whom they do business including all employees (including permanent, temporary, contract agency and migrant workers. It shall be the responsibility of the supplier to ensure that this Code of Conduct is not violated. This Code of Conduct is based on the general principles contained in the Universal Declaration of Human Rights, the United Nations Global Compact, the International Labour Organization Conventions (ILO) and other relevant international human rights and labour standards. In addition to meet the terms of this Code, the supplier shall comply with all national laws and regulations, as well as other applicable standards. Where there are differences between the terms of this Code and national laws or other applicable standards, the supplier shall adhere to the higher or more stringent requirements.

## 2. Forced Labour

The supplier must not participate in, or benefit from, any form of forced labour including bonded labour, forced prison labour, slavery, physical punishment, confinement, threats of violence, or human trafficking as a method of discipline, in accordance with the ILO-conventions 29 and 105. Workers must have the freedom of movement during the course of their employment. The supplier must not withhold any part of any person's salary, benefits, property or documents in order to force a person to continue to work for them. The supplier shall treat all personnel with dignity and respect. The supplier shall not engage in, or tolerate the use of corporal punishment, mental or physical coercion and verbal abuse of personnel.

## 3. Child Labour and Young Workers

IHC does not accept child labour. The supplier shall not engage in, or benefit from, the use of child labour in accordance with the ILO convention 138. The minimum age for employment shall not be less than the age of completion of compulsory schooling and, in any case, not less than 15 years (or 14 years where established by national laws in accordance with the ILO developing-country exception). Where permitted by national laws, the supplier may employ children 12-15 years old to perform a few hours of light work per day as long as it does not interfere with the children's educational responsibilities. The supplier shall refrain from hiring young workers (below 18 years of age) to perform any type of work, which is likely to jeopardize their health, safety or morals, in accordance with the ILO convention 182.

## 4. Discrimination

The supplier shall not engage in or support discrimination on any basis, (such as race, colour, sex, language, religion, political or other opinion, caste, national or social origin, property, birth, union affiliation, sexual orientation, health status, family responsibilities, age, and disability or other distinguishing characteristics), in accordance with the ILO conventions 100 and 111. Hiring, remuneration, benefits, training, advancement, discipline, termination, retirement or any other employment-related decisions shall be based on relevant and objective criteria.

## 5. Freedom of association and the right to collective bargaining

The supplier must not interfere with the workers' rights to form and join unions or other associations of their own choosing, and to bargain collectively. Nor shall the supplier discourage membership of unions, in accordance with the ILO conventions 87 and 98. If trade unions are not allowed in the area of operation, or only state authorized organizations are allowed, then the supplier shall facilitate and not prevent alternative measures to allow employees to gather independently to discuss work-related matters and select a representative to present work-related concerns to management. Workers' representatives shall not be discriminated against and shall be given access to employees at the workplace. Employee representatives should not be discriminated.

## 6. Workplace Health and Safety

The supplier shall ensure that its workers are offered a safe and healthy working environment. This should include, but not limited to, protection from fire, accidents and toxic substances. Adequate health and safety policies and procedures must be established and followed. The supplier shall provide its employees with the protective equipment and training necessary to perform their tasks safely, a suitable, clean sanitary infrastructure including toilets and potable water. Accommodation, if provided by the supplier, shall conform to the same requirements. The supplier shall establish and maintain emergency procedures to effectively prevent and address all health emergencies and industrial accidents that can affect the surrounding community or have an adverse impact on the environment.



**7. Conditions of Employment and Work**

The supplier shall protect workers from acts of physical, verbal, sexual, or psychological harassment, abuse, or threats in the workplace. The supplier shall comply with legal minimum standards and/or industry benchmark standards concerning wages and benefits. In any case, the supplier shall always provide a 'living wage', which enables workers to meet the basic needs of themselves and their dependents. Overtime shall be remunerated at a premium rate. Wages shall be paid in legal tender and on a regular basis. Deductions from wages shall be transparent and must never be used as a disciplinary measure. All workers shall be provided with a written, understandable, and legally binding labour contract. The supplier shall grant employees paid holiday and sick leave each year, as well as parental leave. Pregnant employees/ employees on maternity leave shall not be discriminated against. The supplier shall take into special consideration employees with children, especially seasonal/migrant workers with children residing elsewhere, making it possible to combine work with parenthood. The supplier will pursue that the normal work- week is limited to 48 hours or, if more, adhere to the legal limits. Overtime shall be voluntary and infrequent. Employees are entitled to at least one day off per week, and shall be given reasonable breaks while working and sufficient rest periods between shifts. The supplier shall respect the privacy rights of its employees whenever it gathers or keeps private information or implements employee-monitoring practices.

**8. Environment**

The manufacturer must strive to minimize the adverse environmental impacts of its own and its supply chain's activities, products and services through a proactive approach and the responsible management of its and global environmental aspects. The manufacturer shall obtain, keep current and follow the reporting guidelines of all of the required environmental permits and registrations to be legally compliant at all times. The manufacturer ensures that the products are manufactured in accordance with globally and domestically recognized safety and environmental protection standards.

**9. Sustainability**

At IHC-I.H. Chempharm we are committed to maintaining high human, environmental and ethical values. That is only possible thanks to the cooperation with local communities, with industry bodies, authorities, regulators and with selected suppliers.

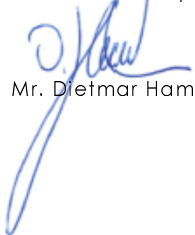
**10. Corruption and Bribery**

The supplier must never, directly or through intermediaries, offer or promise any personal or improper advantage in order to obtain or retain business. The supplier does not pay or accept bribes or other benefits. He must not take any action to violate any applicable anti-bribery laws.

**11. Records and Compliance**

It is the supplier's responsibility to ensure that this Code of Conduct is implemented. The supplier is also responsible for ensuring that its sub-suppliers comply with the same demands. The supplier shall evaluate the performance of their supply chain and maintain appropriate records to demonstrate compliance with the terms of this Code of Conduct. Records shall be available to IHC upon request at any time. The supplier shall freely submit to announced and unannounced audits by IHC or by a third -party assigned by IHC. Where instances of non-compliance with the terms of this Code of Conduct are identified, the supplier shall promptly take corrective action to remedy the deficiencies. The supplier will also take measures to prevent similar problems from reoccurring in the future. IHC is willing to work with the supplier to achieve compliance with the provisions of this Code. Compliance to this Code of Conduct is a pre-requisite of any agreement/contract between IHC and its suppliers. If the supplier fails to comply with the terms of this Code of Conduct and if improvements are not made within an agreed time period, IHC may terminate its business with the supplier.

Management of  
IHC - I.H. Chempharm GmbH



Mr. Dietmar Hamacher

Accepted by the supplier:

\_\_\_\_\_  
-Company name-

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-Signature of the person in charge & company stamp-