

# Zentiva


## Responsible Sourcing Policy

Zentiva is committed to Responsible Sourcing to directly and indirectly support our business operations. Where the activities fall outside Zentiva's direct control our Procurement teams, our External Supply Operations team and our Legal & Compliance team work together to establish the Responsible Sourcing of goods and services. All Zentiva supply partners receive a copy of our Code of Ethics and our expectations of ethical conduct in business operations, our Anti-bribery and Corruption Policy, our Human Rights and Anti-Modern Slavery Policy and our expectations for Health and Safety, Quality, Environmental Protection and Chemical Handling.

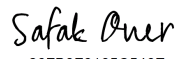
Before a new supplier can be added to the Zentiva approved supplier list a questionnaire based audit is conducted to confirm that they meet the standards expected of a Zentiva supplier. The questionnaire addresses compliance with the Zentiva Policies. Furthermore the requirements of the supplier are written in to the contracts that are put in place to regulate ongoing business relations between Zentiva and its supply partners.

A rolling risk based assessment is conducted of our supplier base, supported by desk based Responsible Sourcing Audits. The results from the audits are reviewed by the Zentiva Ethics and Compliance Committee and any issues identified can be resolved. In the event of a supplier demonstrating a critical failure of compliance with Zentiva's policies or applicable regulation or laws – Zentiva will inform appropriate authorities, seek legal and financial recourse, and cease to do business with the supplier. Where an issue is of a non- critical nature then a time based improvement plan may be agreed. Physical audits of the suppliers site and operations will be undertaken as needed.

Zentiva is committed to Responsible Sourcing and will work diligently to establish and maintain fair, ethical and compliant supply from our supply partners.

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# Zentiva Group Procurement Responsible Sourcing Policy

## I. Basic Principles

Zentiva Group, subsidiaries and affiliates commit to conducting their activities in an operationally secure, governed and transparent manner. Our principles and policies are shared with our suppliers who will need to commit to meeting our expectations in order to start or continue to partner with Zentiva.

The Zentiva ESG commitments are summarized in our corporate policies and published on the Zentiva website. Our global policies may be supplemented by local policies as needed.

Supplier adherence is assured by careful screening and discussion with suppliers to ensure full awareness of Zentiva's ESG commitments, combined with self-audit, desk based remote audits and as needed on site audits where these can be safely undertaken.

This policy defines the commitment that is expected from suppliers in all procurement processes.

### a. **Supplier Risk Management**

Supplier risk is monitored by assessment with a potential for corrective actions being applied to identified risks. On Site audits will be undertaken if needed, to ensure corrective actions are implemented. Suppliers will be phased out or disqualified where supplier behaviour and operational practices fall short of Zentiva's expectations.

### b. **Supplier participation**

Suppliers are monitored for compliance with local regulations within their own procurement processes and alignment to the Zentiva policies. Of specific relevance are health, safety and the environmental, human rights including working conditions, anti-modern slavery, code of ethics and compliance and anti-bribery and corruption.

All Suppliers are expected to comply with the following Zentiva principles:-

#### i. **Labor Principles.**

Suppliers are expected to comply with principles of good labor practice including:

- a. Living wage must be at a level equal to or above that prescribed by local legislation. In the event that such legislation does not exist an industry benchmark should be referenced.
- b. Child Labor will not be employed under any circumstances
- c. Regular Employment should be on a recognized basis with the employer and within the jurisdiction of national laws.

- d. Freedom of Choice in that the employee chooses to be employed and may leave after an agreed notice period. No employee shall be forced to work or be employed illegally.
- e. Working hours as prescribed by local legislation shall not be exceeded.
- f. Freedom of Association is permitted such that employees may join collective bargaining activities supported by local legislation.
- g. Health and Safety standards are to be such that they provide safe and hygienic working conditions to the employee, meet all legislative requirements, and where possible take cognizance of the longer term health of the employees, their partners and communities.
- h. Discrimination will not be tolerated in any of the supplier's business practices. (Reference : Zentiva policy on Human Rights)
- i. Inhumane treatment will not be tolerated. Abusive or threatening behaviour will not be accepted.

**ii. Regulatory Compliance**

Suppliers are expected to comply with laws & regulations at a local level and with all applicable European / International laws and regulations necessary to collaborate with Zentiva to serve patients in Europe and beyond

**iii. Human Rights**

Suppliers are expected to adhere to the Human Rights, as defined in the United Nation's declaration of Human Rights and comply with Zentiva's policy on Human Rights and Anti-Modern Slavery.

**iv. Environmental Impact**

Suppliers are expected not only to meet environmental legislation but to improve on the impact on the environment of their activities. It is expected that environmental management systems and adoption of targets be applied in line with Zentiva's HSE policy.

**v. Anti-Corruption & Bribery**

Suppliers shall not partake in any corrupt business practices including money laundering, bribery and extortion. (Reference : Antibribery and Corruption Policy)

**vi. Supplier on-boarding**

Any prospective supplier will be assessed both commercially and in terms managing supplier risk, initially through self-audit. The supplier will also expected to confirm they comply with Zentiva's Code of Ethics and Compliance, Zentiva's Anti-Bribery and Corruption

commitments, Zentiva's Human Rights and Anti-Modern Slavery commitments and HSE policies.