

## **Sustainable Procurement Policy & Supplier Code of Conduct**

### **Policy Statement:**

“Orchid Pharma Ltd., will incorporate sustainability in to its everyday procurement activity to benefit society, the economy and the environment.

Orchid will purchase goods, services and supplies in a way that minimises the impact on the environment and the society where it is practical and economically viable. Orchid will promote best practices by following ethical values in achieving resource utilisation, energy conservation, waste minimisation that promote a safe and sustainable approach to the business”

 <p><b>Orchid Pharma Ltd.</b> (Formerly known as Orchid Chemicals &amp; Pharmaceuticals Limited)</p>			<p align="center"><b>Sustainable Procurement Policy &amp; Supplier Code of Conduct</b></p>		
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<p>This policy document outlines the Sustainable Procurement Policy and Supplier Code of Conduct related to the ethical business practices and initiatives undertaken by Orchid Pharma Ltd. This policy supersedes all the previous versions of Sustainable Procurement Policy and Supplier Code of Conduct drafted for OPL.</p> <p>This Policy is applicable to every Supplier of Orchid Pharma Ltd., and is also applicable to its contractors.</p>					
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Orchid Pharma Ltd recognizes the important role it has to play for the achievement of a more sustainable future and will implement this procurement policy as an element within its overall sustainability strategy.

## **1. OBJECTIVE AND SCOPE**

### **1.1 Introduction**

Sustainable Procurement is an approach to purchasing products and services that takes into account the economic, environmental and social impacts of an organisation's buying choices, at all times. Committing to a policy of sustainable procurement is about ensuring that the values that are core to the business are transferred through the organisation's supply chain into the life-cycle of the organisation's products and services.

Sustainable Procurement Policies focus on how environmental issues and issues relating to other aspects of the sustainable development pillars (Society and Economy) can be integrated in the procurement process activities. There are number of drivers for this increasing prominence of sustainability including an increased understanding of the science relating to climate change, pressure from various stakeholders upon the organisations for the implications of their activities, and greater transparency concerning economic, environmental and the social actions of organisation.

### **1.2 Scope**

Ensuring sustainability at Orchid Pharma Ltd is embedded across every function including procurement. This is essential to our goal of making a sustainable contribution to society. This Sustainable Procurement Policy explains how Orchid Pharma Ltd., will integrate environmental, economic and social consideration into

its procurement policies and practices. We believe that improving our procurement performance is an ongoing process and that our suppliers, both large and small are important partners in our journey to become more sustainable.

We believe that the long term sustainable development of our suppliers is critical to our success and we value our relationship with suppliers who share the same approach and vision towards doing business.

This Sustainable Procurement Policy of Orchid Pharma Ltd., applies to all purchase of goods and services, sets out how we will conduct business with our suppliers and describes the expectations we have of our suppliers regarding the way they conduct their business.

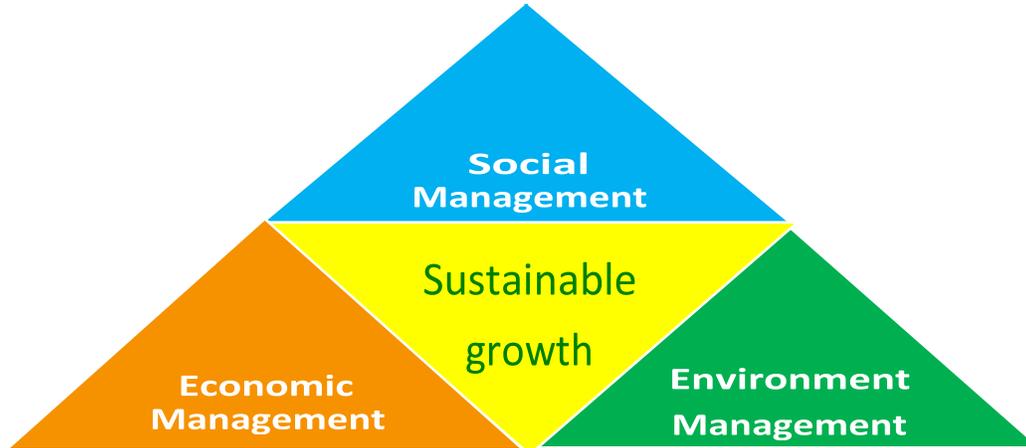
### **1.3. Aim of the Policy**

Orchid Pharma Ltd., aim is to ensure that the goods, works and services we purchase are manufactured, delivered, used and managed in a safe and socially and environmentally responsible manner and that the associated risks are appropriately managed.

It also aims to ensure that the way business is conducted throughout the whole of our supply chain conforms to our own standards and legally compliant.

Our policy for sustainable procurement will be to acquire products and services that meet the customer's needs, deliver long term value for money, maximise social and economic benefits, and minimise damage to the environment.

#### 1.4. Our Sustainable Procurement Approach



#### 1.5 Objectives

The objective of this Policy are:

1. To improve the environment, social and financial outcomes of all our purchases.
2. To enable our people to apply sustainability principles in making procurement and purchasing decisions for and on behalf of Orchid Pharma Ltd.
3. To ensure that our suppliers and partners adopt sustainable business practices and demonstrate best practice in meeting sustainability criteria.
4. To be recognized as a reliable and trustworthy organization, willing to listen, work collaboratively and deliver on our commitments.

5. To provide guidance necessary for the practice of directives in this Policy and to support a culture of information and knowledge sharing.
6. To encourage our suppliers to adopt practices that minimize their environmental impact and deliver community benefits in relation to their own operations and throughout the supply chains in which they operate.
7. To promote, monitor and report on environmental legislative compliance and pollution prevention within the supply chain.
8. To provide sufficient resource for successful implementation of this policy and ensure employees engaged in purchasing activities have access to appropriate guidance and training.

## **2. ORCHID'S SUSTAINABLE PROCUREMENT POLICY STATEMENT**

***“Orchid Pharma Ltd., will incorporate sustainability in to its everyday procurement activity to benefit society, the economy and the environment.***

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### **3. SUPPLIER CODE OF CONDUCT**

Orchid Pharma Ltd, is focused to conducting its business in compliance with law and other related regulations both direct and indirect with honesty, ethics, transparency and stand against all forms of corruptions. All products and services acquired must be of quality, which give the company maximum benefits and fair to all stakeholders.

This Supplier code of conduct has been formulated in line with the following core values of Orchid Pharma Ltd:

- **Corporate Social Responsibility**
- **Respect for the Individual**
- **Excellence**
- **Innovation**
- **Value for Stakeholders**

This Supplier code of Conduct shall apply to all staff, suppliers and stakeholders at the various work centers and locations of Orchid, for the benefit of different segments of the society.

### **4. PRIORITY AREAS**

The following prioritized areas are currently identified as Orchid's commitments with respect to Supplier code of conduct.

- 1. Corporate Governance**
- 2. Workers' Rights and Welfare**
- 3. Safety, Health & Environment**
- 4. Social sustainability**

#### **4.1 CORPORATE GOVERNANCE**

Suppliers shall endeavour to have all its governance systems to the highest standards of ethical, moral and legal conduct of business operations. The principles of Corporate Governance that shall follow are:

##### **4.1.1 Transparency**

Suppliers shall adhere to the principle of fair disclosure; and shall regularly provide information and significant changes in business activities to all stakeholders.

Suppliers shall commit to transparency in all accounting and financial reporting statements and communications with shareholders through compliance with independent auditing and financial reporting.

##### **4.1.2 Rule of Law**

All suppliers of Orchid shall comply with the laws and regulations applicable to the country wherever they do business. Suppliers shall ensure that there is a fair framework of rules for operation within their organization.

##### **4.1.3 Ethical Integrity**

Suppliers shall commit to adhere to the highest standards of ethical, moral and legal conduct of business operations.

Suppliers shall strive to promote free and fair market competition through transparent and ethical business practices, which are conveyed to the public through their actions and communication.

Suppliers shall strive to strictly protect personal information of employees, customers and suppliers.

Suppliers shall respect the intellectual property rights of other entities.

#### **4.1.4 Anti-bribery and Anti-corruption**

A bribe is an inducement or reward offered, promised or provided in order to bring about the improper performance by another person of a relevant function or activity.

Suppliers shall commit fair, honest and lawful business dealings and relationships and shall have a zero tolerance approach to bribery and corruption.

Suppliers and any associated Persons shall not, directly or indirectly, (i) offer, (ii) promise, (iii) agree to pay, (iv) authorize payment or (v) pay, (vi) give, (vii) accept, or (viii) solicit Anything of Value to or from any third party in order to secure or reward an improper benefit or improper performance of a function or activity.

“Anything of Value” means bribes, kickbacks, a financial advantage, or any other benefit, whether in cash or in kind, tangible or intangible.

Suppliers are also committed to upholding all laws relevant to countering bribery and corruption in all the jurisdictions in which they operate.

## **4.2. WORKERS’ RIGHTS AND WELFARE**

### **4.2.1 Compliance with Labour Laws/Standards**

Suppliers shall operate in compliance with all applicable legislations on labour, wages, disputes, social security standards and practices governing employment practices and industrial relations etc. This standard includes respect for

employees, non-discrimination in employment, opportunities for individual growth and a safe and healthy working environment provided to all employees.

#### **4.2.2 Child Labour**

Suppliers shall not engage or use any form of child labor in any of their processes or facilities and also ensure that their suppliers/contractors comply with the same strictly.

Suppliers shall comply with all applicable laws, regulations and conventions prohibiting the use of forced, bonded and indentured labour, as well as other forms of illegal labour practices that restrict the rights of individuals.

Suppliers shall have proper administrative systems in place to verify, without exception, the age of employees through nationally or internationally recognized identity documentation (birth certificates, passports, Adhar card etc.).

#### **4.2.3 Human Rights**

Suppliers shall ensure that each employee is treated with respect and dignity.

Suppliers shall treat all employees fairly and honestly regardless of where they work. All employees shall have agreed terms and condition in accordance with local law and practice.

Suppliers shall not discriminate on the grounds of race, colour, political affiliation, marital status, gender, disability, nationality, religion, caste, or creed.

Suppliers shall respect the rights to freedom of association as set forth in laws and shall respect the right of employees to form or join unions.

#### **4.2.4. Disciplinary Guidelines and Grievances**

Suppliers shall develop and maintain equitable procedures to deal with employee grievances, and disciplinary issues.

Suppliers shall ensure that employees who raise issues of concern do not suffer negative repercussions.

#### **4.2.5 Whistle Blower Protection**

Suppliers shall encourage the employees who have concerns about suspected misconduct within the organization to come forward and express these concerns without fear.

Such whistle blower is at all times protected from unfair treatments such as, discrimination, harassment, victimization or any other unfair employment practice.

#### **4.2.6 Sexual Harassment**

Sexual harassment is an insult to human dignity and respect and the suppliers shall provide women work force with a secure and safe work environment that helps them to grow and reach their fullest potential.

Suppliers shall provide a safe and secure work environment for women and they are at all times guaranteed protection from any behaviour, including gestures, language and physical contact, that is sexual, coercive, threatening, abusive or exploitative.

Suppliers shall have “Sexual Harassment Policy” with strictest procedures in place for redressal of such grievances that extends to all employees irrespective of their grade.

#### **4.2.7 Gifts and Benefits**

Suppliers shall ensure that no employee of the company or member of his or her immediate family, shall (directly or indirectly) solicit, accept or retain any gift (in cash or in kind) including entertainment, donations, remuneration, services, or other benefits from any organization or person doing business or competing with the company other than

- I. Modest gifts or entertainment as part of normal business courtesy and hospitality that would not influence such person to act in any manner not in the best interest of the company or
- II. Acceptance of a nominal benefit that has been disclosed to and accepted by the company.

#### **4.2.8 Remuneration, Benefits and Working Hours**

Suppliers shall ensure sustainable fair wages according to applicable laws which enables employees to meet the basic needs of themselves and their families.

Suppliers shall pay all legally mandated benefits as a minimum standard. Supplier shall ensure that there is equal remuneration for work of equal value, irrespective of gender, caste, colour, disability, creed, nationality or religion.

Suppliers shall have systems in place to accurately track hours worked for Salaries and non-salaried employees and to identify potentially irregular and unusual work patterns, including excessive overtime.

Suppliers shall ensure that each employee receives an accurate payroll receipt with each payment and that each payment is accurately recorded in payroll logs that are subject to audit and verification.

#### **4.2.9 Career Development**

Suppliers shall provide training & development both in soft skills as well as technical aspects to all employees to help them enhance their skills as well as improve their future employability prospects.

#### **4.2.10 Workforce Diversity**

Suppliers shall not discriminate employees on grounds of gender, racial/ethnic origin, culture, religion, age, disability, sexual orientation, nationality, citizenship or political opinion or orientation, in matters of recruitment, selection or in career progression.

Suppliers shall ensure that the social and biological determinants affecting women including, but not limited to, marriage, pregnancy and maternity and family reasons etc. are addressed with appropriate policies and that they are given equal opportunities to rise and excel like their male counterparts.

### **4.3 SAFETY, HEALTH & ENVIRONMENT**

#### **4.3.1.1. SAFETY**

Orchid is committed to managing safety health and environment matters as an integral part of its business. In particular, it is our policy to assure the safety, health and environment integrity of our processes and facilities at all times and at all places.

Suppliers must strictly comply with all local and national legal and regulatory requirements regarding employee's safety

Suppliers must provide safe working environment for employees and adequate and appropriate personal safety equipment.

Suppliers are responsible for providing periodic safety awareness training, safety drills or other types of safety training as required by the industry type and based on fire and safety regulations.

Suppliers shall make available safety information relating to hazardous materials in the workplace and shall educate train and protect workers from hazards.

Suppliers shall have proper measures in place to ensure personnel safety, accident preventions and loss control in their locations through proactive and reactive steps.

#### **4.3.1.2. Transportation Safety**

Suppliers shall identify the Hazards of chemicals that are transported and assess the risk during transportation.

Suppliers shall comply with State and Central regulations in their country or region of operation in labelling packaging to communicate the hazard information to stakeholders.

Suppliers shall ensure the containers are in good condition to prevent spill and leaks.

Suppliers shall ensure that authorised drivers have adequate instructions and training to understand the hazards of the goods that they transport and what to be done in case of an emergency.

Suppliers shall ensure adequate spill control mechanism and firefighting equipment in the truck.

#### **4.3.1.3. Incident Reporting**

A dangerous situation may occur during the transport, loading and unloading of dangerous goods. Suppliers shall report any incident if it causes or likely to cause

Death or injury to a person

Harm to environment

Damage to property

#### **4.3.1.4. Emergency Preparedness and Response**

Suppliers shall identify and assess emergency situations and must prepare readiness by setting incident evaluation, impact management measure, precautionary plan, and appreciate continuous training for employees.

#### **4.3.2. HEALTH**

Suppliers shall ensure the right to access health care for all the employees including accessible and affordable medicines and medical treatment.

Supplier shall provide safe & health working environment that is free from occupational hazards.

### **4.3.3. ENVIRONMENT**

Suppliers shall comply with all applicable environmental laws regulations in their country and /or region of operation.

Suppliers shall obtain all required permits, licenses and approvals and pertaining to environment.

#### **4.3.3.1. Resource Extraction**

Suppliers shall recognize the value of natural resources and strive to control the use and management of natural resources, especially non-renewable resources.

Suppliers shall take steps to directly remedy damages to their immediate environment (by way of their ground water utilization or utilization of any other natural resource in their operations) by assessing impact and by taking steps to restore the resources to their natural levels, to the extent possible.

#### **4.3.3.2. Resource Utilization**

Suppliers shall commit to the minimizing of wastage of resources such as water, paper, packing materials, solvents and raw materials in all their operations.

Suppliers shall reduce energy and water consumption as well as non-renewable natural resources

Suppliers shall have methods and proper procedures of reduction, reuse, and recycling of any material everywhere where it is possible.

Suppliers shall improve resource efficiency and minimize waste in production and delivery of products and services through reusing and recycling activities or programs.

Plastic shall be responsibly utilized and strive to reduce the usage of plastic bags as practical as possible.

Suppliers shall be responsible for development and setting up of infrastructure for segregation, collection, storage, transportation, processing and disposal of the plastic waste.

#### **4.3.3.3. Pollution Control**

Supplier shall ensure that any waste, wastewater or emissions with the potential to adversely impact environment shall be appropriately managed, controlled and treated prior to release into the environment.

Degradable/Non degradable converting to reusable products shall be encouraged.

Suppliers shall ensure that both liquid and non-recyclable solid wastes from their operations are disposed of safely as per the legal requirements without harm to the environment. Solid biohazards are treated and disposed off in landfills at appropriate locations as per the applicable regulations and guidelines from the regulatory agencies in this matter.

## **5. SOCIAL SUSTAINABILITY**

Orchid Pharma Ltd., understands how sustainability impacts business. We rely upon suppliers to promote environmental and social stewardship and highlight opportunities to improve understanding and management of such impacts.

Suppliers shall ensure that potential impacts to community health, safety and security – such as accidents, impact on natural resources, exposure to pollution or other community issues – that may arise from business operations are appropriately mitigated and managed.

Suppliers shall endeavour to undertake activities for economic and social development of communities and geographical areas, particularly in the vicinity of its operations and make a positive contribution to the society at large.

## **6. BUSINESS CONTINUITY**

Suppliers are responsible for the development and implementation of appropriate business continuity plans for operations supporting business.

## **7. MONITORING AND COMPLIANCE**

Orchid Pharma Ltd., shall monitor supplier's compliance on the standards which may include on-site assessments, use of questionnaires, and review of supplier's information available or any other measure suitable for review of supplier performance.

Suppliers also are encouraged to review compliance on a periodic basis and designate personnel who shall be responsible for monitoring compliance with this supplier code of conduct.