



STADA Business Partners Code of Conduct

NOVEMBER 2023

Dear valued Business Partners,

As a signatory to the United Nations Global Compact¹ and in compliance with our own Code of Conduct and STADA's Human Rights Statement, we at STADA are fully committed to supporting and respecting human rights, labor regulations, protecting the environment, and preventing corruption in line with the fundamental principles as laid down in the following. STADA believes that society and business are best served by responsible business behaviors and practices. Fundamental to this belief is that business should not only operate in compliance with applicable laws, rules and regulations, but that our all behaviors address underlying societal concerns.

This Business Partners Code of Conduct is based on, amongst other international standards: the International Labor Organization's (ILO), the Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Right, the Rio Declaration on Environment and Development, the UN Convention Against Corruption, the UN Framework Convention on Climate Change (UNFCCC) as well as the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, the Stockholm Convention on persistent organic pollutants (POPs), and the Minamata Convention on Mercury. It also incorporates the requirements of the German Act on Corporate Due Diligence in Supply Chains (*Lieferkettensorgfaltspflichtengesetz - LkSG*) which also aims to promote and protect human rights and the environment.

STADA requires its Business Partners to comply with all applicable laws, rules and regulations in the countries they operate or conduct business and with the standards defined in this Business Partners Code of Conduct, which defines the minimum requirements that we expect our Business Partners to observe and meet as a supplier to STADA Group. Furthermore, our Business Partners are expected to use their best efforts to implement these standards with their own suppliers.

Where compliance with the Business Partners Code of Conduct would violate local law or collective bargaining agreements, our Business Partners are expected to comply with local requirements while seeking to uphold the principles underpinning this Business Partners Code of Conduct.

The principles expressed in this Business Partners Code of Conduct comprise also an important component of our supplier selection and evaluation.

Best regards,
STADA Arzneimittel AG

SIGNATORIES/APPROVALS:

Miguel Pagan Fernandez
Chief Technical Officer (CTO)

Wolfgang Rauch
Head of Global Procurement & ESO



I 01 ETHICS

At STADA, we are committed to conducting our business in an ethical and responsible manner, and we expect the same from our Business Partners. This section outlines the ethical requirements that our Business Partners must adhere to. In line with one of our corporate values, we believe that upholding the highest standards of integrity, honesty, and respect is essential to building a sustainable and successful business, and we require our Business Partners to comply with all applicable laws and regulations in the countries they operate or conduct business.

1.1 BUSINESS INTEGRITY

Business Partners shall not practice or tolerate any form of corruption, extortion, embezzlement, or money laundering. Business Partners shall not offer or accept bribes or other unlawful incentives (e.g. 'facilitation payments') to or from their business partners or government officials as stated in the United Nations Convention against Corruption². Business Partners shall not offer to STADA employees any kind of gifts or personal benefit which could be perceived as a bribe. In all cases, gifts or entertainment shall not be offered to improperly influence a business relationship and must not violate applicable laws or ethical standards.

1.2 CONFLICT OF INTEREST

Business Partners shall avoid any activity or situation that might lead to a conflict of a private interest of any employee with the business interest of STADA. Business Partners with associates or members of their immediate family working for STADA shall disclose these potential conflicts of interest before engaging in any business relationship.

1.3 FAIR COMPETITION

Business Partners shall conduct their business in a manner consistent with fair and vigorous competition and in compliance with all applicable anti-trust laws. Business Partners shall neither be involved in anti-competitive agreements with competitors in violation of antitrust law, nor shall they abuse a market position that may potentially be considered dominant or take part in any other anticompetitive practices. Business Partners shall employ fair business practices including accurate and truthful promotion.

1.4 FOREIGN TRADE

Business Partners must comply with export control and other foreign trade regulations applicable to their business and provide accurate and truthful information about it to customs and other authorities when required.

1.5 PRIVACY AND INTELLECTUAL PROPERTY

Business Partners shall safeguard and make only appropriate use of confidential information and ensure that all employees' and business partners' privacy and valid intellectual property rights are protected. Business Partners shall not use STADA's name or trademarks or that of our affiliates or products in publicity or advertising without STADA's prior written consent.

⁰² *UNITED NATIONS CONVENTION AGAINST CORRUPTION (unodc.org)*



1.6 DATA PROTECTION AND SECURITY

Business Partners information systems that contain STADA's confidential information or data shall be appropriately managed and protected against unauthorized access, use, disclosure, modification, or destruction. Business Partners shall collect personal information only for legitimate business purposes, if processed in a legal, transparent, and secure manner. Such personal data shall only be shared with those who are allowed to access it, protected in accordance with security policies, and retained for as long as necessary under adequate safeguards. Business Partners shall ensure that third parties with access to such personal information protect it in accordance with the same standards.

1.7 INTERACTIONS WITH HEALTHCARE STAKEHOLDERS

Business Partners shall not cooperate with healthcare professionals (HCPs) or healthcare organizations (HCO) in a way that has an inappropriate influence or could be seen by others as an exertion of improper influence. Business Partners shall never grant benefits to reward, or in exchange for, recommending, prescribing, dispensing, purchasing, supplying, selling, administering, referring, arranging for, or ordering STADA products, or to induce recommending, prescribing, dispensing, purchasing, supplying, selling, administering, referring, arranging for, or ordering STADA products in the future. When engaging with healthcare stakeholders such as HCPs, HCOs, and patients and their organizations, Business Partners shall adhere to standards of conduct issued by the relevant industry organizations such as the Medicines for Europe (MfE), the European Federation of Pharmaceutical Industries & Associations (EFPIA), the International Federation of Pharmaceutical Manufacturers & Associations (IFPMA), and the Pharmaceutical Research and Manufacturers of America (PhRMA). Business Partners who prepare sales, advertising, promotional, and marketing materials shall ensure that truthful and compliant descriptions and claims are used.

1.8 ANIMAL WELFARE

If applicable to the Business Partners industry, alternatives to animal testing shall be used when such alternatives are scientifically valid and predictive so as not to compromise the quality or safety evaluations of STADA products, and when they are acceptable to regulatory agencies. When animal testing is required by law, or when ethically justified on scientific grounds after considering all options to replace, refine and/or reduce animal testing, Business Partners shall minimize the number of animals used for testing. Business Partners shall be equally committed to conducting animal testing using accepted and state-of-the-art methods, the most humane scientifically valid protocol, which must meet study and regulatory requirements, and shall conduct tests only in accordance with all applicable laws, and AAALAC accreditation (Association for Assessment and Accreditation of Laboratory Animal Care)³.

1.9 STANDARDS WHEN CONDUCTING CLINICAL TRIALS

Business Partners shall conduct clinical trials in accordance with international guidelines or applicable national and local laws and regulations and recognized international quality and safety standards applicable to the proposed work. When engaged in clinical trials on behalf of STADA, all clinical trials shall be conducted in accordance with the global standards of Good Clinical Practices⁴ and follow the strictest medical, scientific, and ethical principles, as mentioned in the Declaration of Helsinki⁵.

⁰³ <https://www.aaalac.org/>

⁰⁴ "<https://www.ema.europa.eu/en/human-regulatory/research-development/compliance-research-development>"

⁰⁵ Declaration of Helsinki – WMA – The World Medical Association



I 02 LABOR & HUMAN RIGHTS

At STADA, we recognize that respecting human rights is not only a moral imperative, but also a key component of sustainable business practices. We are committed to upholding the human rights⁶ of our employees, local communities, and vulnerable groups, and we expect the same from our Business Partners. To achieve this our Business Partners undertake to observe, implement and promote the provisions of the International Covenant on Civil and Political Rights⁷ and the Covenant on Economic, Social and Cultural Rights⁸ themselves and within their supply chains. This section outlines the labor and human rights standards that our Business Partners must adhere to. All workers and employees should be treated with dignity and respect, and that human rights due diligence is essential to ensuring that our supply chain is free from human rights abuses.

2.1 NO TOLERATION OF CHILD LABOR

STADA does not tolerate child labor in its supply chain. Business Partners must refrain from any sort of child labor in their business operations as defined in the International Labor Organization's (ILO) core labor standards.⁹ According to these standards, the prohibition of child labor, based on Art. 2 para. 3-5 ILO 138¹⁰ means prohibition of setting a minimum age below the age at which compulsory education ends, below 15 years or in exceptional cases below 14 years. If local minimum age law stipulates a higher age for work or mandatory schooling, the higher age applies. Furthermore, our Business Partners shall comply with the ILO Convention 182¹¹ to prevent the worst forms of child labor including all forms of slavery, forcing children to perform prostitution, illegal activities such as production of or dealing with drugs, and any work that is by its nature or due to the circumstances presumably harmful to the health, safety, or morals of children. In case young workers are employed they must not do work that is mentally, physically, socially, or morally hazardous or interferes with their schooling.

2.1 FREELY CHOSEN EMPLOYMENT

STADA takes a zero-tolerance approach towards any form of modern slavery, servitude and forced or compulsory labor and any form of human trafficking in our supply chain. Business Partners should therefore comply with the regulations and laws that apply to them, for example the UK Slavery Act¹². The same applies to bonded, indentured, or involuntary prison labor. Practices such as withholding personal property, passports, wages, training certificates, work or any other document for inappropriate reasons are not acceptable. Employees may leave the employer freely, provided they comply with requirements for advance notices as specified by applicable law. Employees shall be paid on time and in full for the work they have done prior to leaving according to applicable laws.

2.3 FREEDOM OF ASSOCIATION

Business Partners undertake to commit to an open and constructive dialogue with their employees and workers' representatives. Business Partners shall respect the rights of their employees to associate freely, form and join labor unions, seek representation, join work councils, and, in accordance with applicable local laws, engage in collective bargaining and exercise the right to strike. Business Partners shall not disadvantage or discriminate employees who act as workers' representatives so that they can exercise their role without fear of reprisal or discrimination.

⁰⁶ *Universal Declaration of Human Rights | United Nations*

⁰⁷ *International Covenant on Civil and Political Rights | OHCHR*

⁰⁸ *International Covenant on Economic, Social and Cultural Rights | OHCHR*

⁰⁹ *Convention concerning Minimum Age for Admission to Employment 1973; (No. 138); Convention concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour, 1999, (No. 182) - Labour standards (ilo.org)*

¹⁰ *Convention C138 - Minimum Age Convention, 1973 (No. 138) (ilo.org)*

¹¹ *Convention C182 - Worst Forms of Child Labour Convention, 1999 (No. 182) (ilo.org)*

¹² *Modern Slavery Act 2015 (legislation.gov.uk)*



2.4 WORKING TIME, WAGES AND BENEFITS

Working time for Business Partners' employees should not exceed the maximum set by the applicable national law and by ILO standards and overtime work shall be on a voluntary basis. Business Partners shall respect the right to rest and leisure of their employees in balancing their work and private life. Compensation shall be paid to employees regularly, in a timely manner and in full according to applicable laws and shall comply with applicable national wage laws. Compensation paid to workers shall comply with all appropriate wage laws, including those relating to minimum wages and legally mandated benefits without any unauthorized deductions.

2.5 NON-DISCRIMINATION & NON-HARASSMENT

Business Partners are expected to provide a respectful and non-discriminatory workplace which values the contributions of everyone who is involved in their business operations. Business Partners shall not tolerate any forms of discrimination, including verbal, physical or sexual harassment or intimidation in the workplace and unfair treatment for reasons such as age, disability, ethnic origin, family status, gender, gender expression, gender identity, political opinion, involvement in an employee representative body, national origin, physical characteristics, pregnancy, religion and ideology, sexual orientation, skin color, social origin, union membership, volunteering, or any unlawful criterion under applicable law. Unequal treatment includes, in particular, the payment of unequal remuneration for work of equal value and all modalities specified in Section 2 Subsection 2 No. 7 LkSG¹³. Business Partners shall take immediate action against unlawful and discriminatory behavior of their employees, workers, agents, and contractors.

Business Partners shall observe the prohibition on harassment of any kind, physical abuse, mental or physical assault, and/or verbal abuse and shall provide a fair and formal mechanism for personnel to raise any grievances regarding human rights violations to be raised, addressed, and resolved without fear of retaliation.

2.6 DIVERSITY, EQUITY & INCLUSION

Business Partners are expected to provide a working environment that recognizes and supports diversity, equity, and inclusion. This means advocating for an inclusive culture and nurturing an environment where all individuals can be their individual and unique selves. Business Partners are expected to foster such a culture. Further, STADA requires our Business Partners to take diversity criteria into account when selecting their own suppliers

2.7 LOCAL COMMUNITIES AND VULNERABLE GROUPS

Business Partners shall respect the rights of local communities, including indigenous people and other vulnerable and disadvantaged groups. Business Partners must obtain the free, prior, and informed consent of indigenous peoples to engage in business activities that would restrict their rights and legally guaranteed freedoms. Unlawful eviction and deprivation of land, forests and waters, as set forth in Section 2 Subsection 2 No. 10 LkSG¹⁴, is not accepted. Business Partners shall listen to the concerns of local residents and strive to create positive impacts through local engagement. The support of local job creation, local sourcing, education provisioning and infrastructure development is encouraged.

¹³ § 2 LkSG - Einzelnorm (gesetze-im-internet.de)

¹⁴ § 2 LkSG - Einzelnorm (gesetze-im-internet.de)



I 03 HEALTH & SAFETY

STADA expects their Business Partners to provide a safe and healthy working environment for their employees and others affected by their activities. We require our Business Partners to have health and safety programs in place to manage risks and improve employee safety and wellbeing. We also expect our Business Partners to share relevant information with us upon request to provide assurance of their commitment to health and safety management. Business Partners shall proactively and transparently share information about the health, safety, and environmental aspects of their products with all relevant parties in case of a legitimate need.

3.1 OCCUPATIONAL HEALTH AND SAFETY

Business Partners must comply with applicable local laws on occupational health and safety. Business Partners shall adequately protect their employees against chemical, biological and physical hazards based on the occupational health and safety obligations applicable under the law of the place of the employment. They shall provide safe workplaces, workstations and work equipment by adequate maintenance and necessary technical protective measures to mitigate risks and to prevent accidents and occupational illnesses. The Business Partners shall conduct workplace risk assessments and set up appropriate controls for the tasks to be performed, safe work procedures and provide employees with appropriate personal protective equipment against chemical, physical and biological substances, and appropriate training. In order to prevent excessive physical and mental tiredness, Business Partners shall implement a suitable work organization in terms of working hours and rest breaks. Business Partners shall not commission and deploy private or public security forces if, due to a lack of instruction or control on the part of the supplier, the prohibition of torture and cruel, inhuman or degrading treatment is disregarded in the deployment of the security forces, life or limb is injured or the freedom of association and union is impaired (Section 2 subsection 2 no. 11 LkSG¹⁵). Business Partners shall undertake best efforts to support the mental health of their employees. A safe and healthy working environment shall include as a minimum the provision of potable drinking water, adequate lighting, temperature, ventilation and sanitation and, if applicable, safe and healthy company living quarters.

3.2 PROCESS SAFETY

Business Partners shall have safety programs and management systems in place for managing and maintaining all their production processes in accordance with the applicable safety standards¹⁶ industry norm and applicable laws and regulations. Programs shall be appropriate to facility and process risks. Business Partners shall appropriately communicate, disclose, and manage hazards inherent in their processes and products to ensure that affected or potentially affected third parties are protected. Business Partners shall in particular provide their employees with safety information relating to hazardous materials and education to protect them from potential hazards. Hazardous materials can include but are not limited to raw materials, isolated intermediates, products, solvents, cleaning agents and wastes. Major incidents shall be analyzed and communicated in a timely fashion. For hazardous installations and processes, the Business Partners shall regularly conduct specific risk assessments and implement measures that prevent the occurrence of incidents such as chemical releases, fires, or explosions.

¹⁵ § 2 LkSG - Einzelnorm ([gesetze-im-internet.de](https://www.gesetze-im-internet.de))

¹⁶ *The Principles - PSCI* ([pscinitiative.org](https://www.pscinitiative.org)); *Responsible Care Global Charter - International Council of Chemical Associations (ICCA)* ([icca-chem.org](https://www.icca-chem.org))



3.3 CHEMICAL SAFETY

Business Partners must comply with chemical safety regulations, label products properly and communicate product-handling requirements. They shall provide to relevant parties the applicable documentation containing all necessary safety-relevant information for all hazardous substances in case of a legitimate need. This includes product information, safety data sheets, notification, or registration confirmations, uses and exposure scenarios. Business Partners shall proactively and transparently share information about the health, safety, and environmental aspects of their products with all relevant parties in case of a legitimate need.

3.4 EMERGENCY PREPAREDNESS, RISK INFORMATION AND TRAINING

Business Partners shall make safety information on identified workplace risks available to employees and contractors. They shall be correspondingly and continuously trained to ensure they are adequately protected any time. Business Partners shall identify and assess relevant risks and emergency situations in the workplace, public neighborhood, and company-provided living quarters. Their potential impact shall be minimized by implementing appropriate fire protection, effective emergency plans, regular drills, and response procedures.

I 04 ENVIRONMENT PROTECTION

At STADA, we demand our Business Partners to operate in an environmentally responsible and resource-efficient manner, with a commitment to protecting the environment and society at large. Our Environment Protection section of the Business Partners Code of Conduct outlines our expectations for our Business Partners to take appropriate measures to minimize their environmental footprint and monitor relevant risks. By working together, we can create a sustainable supply chain that minimizes our collective environmental impact.

4.1 ENVIRONMENTAL MANAGEMENT COMPLIANCE AND USE OF NATURAL RESOURCES

Business Partners shall continuously strive to preserve, protect and reduce the exploitation of natural resources, such as sources of energy, water, forests, soil, raw materials, etc. Likewise, Business Partners shall undertake commercially reasonable efforts to minimize the creation of air emissions, wastewater, waste, noise, and light pollution. Accordingly, the Business Partner shall not cause harmful soil alteration, water pollution, air pollution, harmful noise emission or excessive water consumption, which significantly impairs the natural basis for the preservation and production of food, denies a person access to safe drinking water, impedes or destroys a person's access to sanitary facilities or harms a person's health (Section 2 subsection 2 No. 9 LkSG)¹⁷.

Business Partners shall have management systems in place that identify environmental aspects and impacts, set environmental targets and define and apply processes that ensure compliance with applicable legal requirements and continuously reduce its environmental impact.

Water usage should not have negative effect on the availability and quality of water for the environment and neighboring communities. Business Partners shall undertake reasonable efforts to give special attention to water-scarce areas or areas threatened by water scarcity as defined by the World Resource Institute¹⁸ and undertake reasonable efforts to continuously reduce water consumption and improve wastewater treatment and water pollutant discharge. Business Partners engaged in the manufacturing of antibiotics shall undertake reasonable efforts to evaluate and manage its discharges in line with the Antibiotic Manufacturing Standard (AMR)¹⁹.

¹⁷ § 2 LkSG - Einzelnorm (gesetze-im-internet.de)

¹⁸ World Resources Institute | Making Big Ideas Happen (wri.org)

¹⁹ Antibiotic Manufacturing Standard - AMR Industry Alliance



Business Partners shall ensure the safe and compliant handling, storage, transportation, reuse, recycling, and disposal of all types of solid and liquid wastes. They shall give special attention to the handling of substances containing mercury or which are persistent organic pollutants (POPs) as well as to the handling of wastes, air emissions, or wastewater that could contain mercury or POPs. Business Partners shall handle these substances in line with the requirements defined by the 'Minamata Convention' (for mercury)²⁰ and the 'Stockholm Convention' (for POPs)²¹. This includes the prohibition of the production of mercury-added products and the prohibition of use of mercury and mercury compounds in manufacturing processes.

Business Partners shall ensure that the management of waste from their operations is in line with government regulations and with the requirements defined by the 'Basel Convention'²², especially if waste is transported or traded across borders. In particular, dangerous waste according to the Basel Convention must not be transported (i) to a contract party that has prohibited the import of such waste, (ii) to an importing country that has not given its written consent to the specific import, (iii) to a non-party of the Basel Convention or (iv) to an importing state if such waste is not managed in an environmentally safe manner.

4.2 ENERGY CONSUMPTION AND CLIMATE PROTECTION

Business Partners shall undertake reasonable efforts to continuously increase its purchased electricity from renewable sources and to have management systems in place to continuously improve energy efficiency in their operations.

Business Partners shall collate data and report their greenhouse gas emissions caused by their operations directly (scope 1) or indirectly (scope 2) and shall set reduction targets at least in line with the Paris Agreement (Paris Climate Accords)²³.

They shall undertake reasonable effort to also evaluate their (scope 3) greenhouse gas emissions and define targets in line with the Science-based target initiative. Business Partners shall assess the impact and risks climate change has on their business and supply chains and evaluate climate adaptation requirements.

4.3 CONFLICT MINERALS

Business Partners shall ensure that products supplied to STADA do not contain metals derived from minerals or their derivatives originated from Conflict Affected and High-Risk Areas (CAHRAs) that directly or indirectly finance or benefit armed groups and cause or foster human rights abuses. Business Partners are expected to comply with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD DDG)²⁴ as well as the EU Conflict Minerals Regulation²⁵.

²⁰ [Homepage | Minamata Convention on Mercury \(mercuryconvention.org\)](https://www.mercuryconvention.org/)

²¹ [Stockholm Convention - Home page \(pops.int\)](https://www.pops.int/)

²² [Basel Convention > The Convention > Overview > Text of the Convention](#)

²³ [The Paris Agreement | UNFCCC](#)

²⁴ [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas - OECD](#)

²⁵ [Conflict Minerals Regulation: The regulation explained \(europa.eu\)](#)



05 QUALITY AND SECURITY RISK MANAGEMENT

STADA expects their Business Partners to provide high-quality, safe, and effective goods and services that comply with all applicable laws and regulations. Only when collaborating with quality-focused Business Partners, we can ensure the safety and satisfaction of all involved.

5.1 QUALITY REQUIREMENTS

Business Partners shall meet European quality standards²⁶ and contractually agreed quality requirements and standards in order to provide goods and services that consistently meet STADA's and its customers' needs, perform as warranted and are safe and effective for their intended use. Business Partners shall immediately address all major issues that have the potential to negatively affect the quality of goods and services. All Partners must inform STADA about changes of the manufacturing or supply process that have the potential to impact the above-described specification of goods and services provided.

5.2 SECURITY AND ANTI-COUNTERFEITING MEASURES

Business Partners shall have good security practices and contractually agreed standards across their supply chains. Business Partners shall assure the integrity of each shipment to STADA from its origin through to its destination. Business Partners shall implement the necessary and contractually agreed standards in their area of responsibility to ensure that STADA products, their workable components, or raw materials as well as the corresponding know-how do not end up in the hands of counterfeiters, smugglers, thieves or other unauthorized third parties and do not leave the legitimate supply chain. Business Partners shall promptly analyze the relationship with a third party if they obtain or are provided with evidence that they are inadvertently involved in the manufacturing or selling of counterfeit, falsified or otherwise illegal products via the actions of the third party, including products destined for export that are considered counterfeit, falsified or otherwise illegal products in their country of destination. STADA expects Business Partners to support the investigation and prosecution of any activities connected with counterfeit products.

5.3 SECURITY RISK MANAGEMENT AND BUSINESS CONTINUITY

Business Partners shall ensure the application of asset and security risk management activities across their organization, thereby ensuring that security risks to tangible and intangible, digital and non-digital assets, employees, and customer assets processed on their behalf are systematically identified, assessed and, where appropriate, effectively mitigated. Business Partners shall further ensure the application of security incident detection, response, and recovery processes, including business continuity and disaster recovery management. Business Partners shall report such incidents affecting STADA immediately, regardless of materiality, and ensure timely reporting of any significant security risk.

²⁶ *Compliance: research and development | European Medicines Agency (europa.eu)*



06 GOVERNANCE AND MANAGEMENT SYSTEMS

Our Business Partners are encouraged to implement effective management systems and governance structures to ensure compliance with applicable laws, regulations, and our Business Partners Code of Conduct. We also require our Business Partners to implement appropriate security and crime prevention programs in accordance with our compliance requirements, applicable laws, and industry standards. By prioritizing strong governance and management practices, we can build a sustainable and ethical business relationship with our Business Partners.

6.1 LEGAL AND OTHER REQUIREMENTS

Business Partners shall identify and comply with all applicable international, national, and local laws and regulations, contractual agreements and internationally recognized standards and conventions applicable to them. This includes but is not limited to the principles set forth in this Business Partners Code of Conduct. The latter summarizes important social, environmental, and ethical standards, especially based on the referenced sources and the due diligence requirements of the LkSG²⁷. Business Partners shall also conform their practices to generally accepted industry standards, shall obtain, maintain and keep up to date all applicable permits, certificates, licenses and registrations, and shall operate in accordance with permit limitations and requirements at all times.

6.2 COMPLIANCE AND REPLICATION AND COMMUNICATION OF STADA'S BUSINESS PARTNERS CODE OF CONDUCT PRINCIPLES IN BUSINESS PARTNERS SUPPLY CHAIN

Business Partners shall comply with the principles set forth in this Business Partners Code of Conduct and use best efforts to (i) pass on expectations regarding human rights and environmental protection and related concerns identified by STADA to their respective contractual partners within the scope of what is possible and reasonable and (ii) request its respective sub-suppliers to comply with this Business Partners Code of Conduct. In particular, Business Partners shall use best efforts to monitor, address and document risks related to the principles set forth in this Business Partners Code of Conduct in their own supply chains and (iii) to take active steps to prevent and minimize such risks and take reasonable steps to stop breaches of human rights and environmental protection and (iv) as last remedy exclude a supplier from further business transactions if such supplier commits repeated or serious breaches, for example with regard to child labor.

6.3 TRAINING AND COMPETENCY

Business Partners shall inform all employees and contracted workers about the principles of this Business Partners Code of Conduct (e.g. by means of appropriate trainings) and make it available in their native language. In the event that Business Partners have their own Code of Conduct, the provisions of which are substantially the same as the principles of this Business Partners Code of Conduct, it shall be sufficient for the Business Partners to inform their employees and contracted workers of the provisions of their own Code of Conduct. Business Partners shall ensure that upon reasonable request by STADA the relevant employees and contracted workers of Supplier participate in appropriate trainings regarding the principles covered in this Business Partners Code of Conduct, or as applicable, their own Code of Conduct. Such training programs shall be documented, repeated, and updated periodically.

²⁷ LkSG - *nichtamtliches Inhaltsverzeichnis (gesetze-im-internet.de)*



6.4 RISK MANAGEMENT

Business Partners shall support STADA to implement mechanisms to regularly identify, evaluate and manage risks in all areas addressed by this Business Partner Code of Conduct and shall continuously determine the relative significance of each risk and take appropriate steps to prevent and mitigate them.

6.5 SYSTEMS AND DOCUMENTATION

Business Partners shall implement and maintain systems (like organizational structures, rules, policies, and processes) necessary to demonstrate compliance with this Business Partners Code of Conduct or as applicable, their own Code of Conduct, as well as applicable laws and regulations and maintain relevant documentation in this regard.

6.6 RIGHT TO EVALUATION AND CONTROL

STADA may conduct or engage in monitoring activities to confirm Business Partner's compliance with this Business Partners Code of Conduct, including on-site assessments of facilities, use of questionnaires, review of available documentation or other measures necessary to review the Business Partners' performance. In accordance with Section 6 Subsection 5 LkSG²⁸, the effectiveness of preventive measures must be reviewed once a year or on an ad hoc basis.

When doing so, STADA will adhere to applicable data protection, confidentiality, antitrust requirements and labor law. With reasonable advance notice, Business Partners shall grant STADA the right to review their compliance with this Business Partners Code of Conduct. The review shall be conducted directly by STADA or by a qualified third party in the form of an assessment or an audit, for example. Business Partners shall grant STADA or the third party the right to conduct interviews with employees, workers and management separately. STADA reserves the right to demand information if there are suspicions that the principles set forth in this Business Partners Code of Conduct are not met by the Business Partners.

6.7 CONTINUOUS IMPROVEMENT

Business Partners shall demonstrate their commitment to continuous improvement of the standards set forth in this Business Partner Code of Conduct by setting performance objectives, executing implementation plans and taking necessary corrective actions for deficiencies identified by internal or external assessments, inspections, and management reviews.

²⁸ § 6 LkSG - Einzelnorm ([gesetze-im-internet.de](https://www.gesetze-im-internet.de))



6.8 COMPLAINTS PROCEDURE

Business Partners shall encourage and provide means for their employees or third parties to report concerns, complaints or potentially unlawful activities that have arisen as a result of economic activities in the own workplace area or their own supply chain without threat of reprisal, intimidation or harassment. Any report must be treated in a confidential manner and be able to be made anonymously, where permitted by law. Business Partners shall investigate such reports and take corrective action if needed. If at any time such report is directly or indirectly related to STADA, the Business Partner shall immediately inform STADA in writing. The Business Partner, its employees or any third parties can also report any risk of or violations of human rights and related environmental regulations occurring within the STADA Group or its supply chain through the Compliance Reporting Portal (<https://www.compliance-reporting-portal.stada.com>) or other means of reporting in writing. Contact details are available on STADA's website. Business Partners will inform its employees or subcontractors about the possibility of reporting directly and if desired anonymously, where permitted by law, via available means of reporting. Business Partners shall not retaliate against any person who in good faith raises a concern.

6.9 REMEDIAL ACTION AND TERMINATION OF BUSINESS RELATIONSHIP

Business Partners shall, without undue delay, (i) report to STADA in writing any identified risks for and violations of the principles outlined in STADA's Business Partners Code of Conduct if and to the extent such risks and violations relate to the business relationship between Business Partner and STADA, and (ii) take appropriate remedial actions to prevent, end, or minimize the violation. STADA reserves the right to (i) apply a concept with a concrete timetable for ending or minimizing a violation and (ii) ask for Business Partners cooperation in this respect. If Business Partners fail to comply with the requirements of the Business Partners Code of Conduct, and after a grace period of three months has lapsed without the violations having been eliminated or reasonable efforts to end the violations have been seriously undertaken, STADA reserves the right to either (i) suspend the agreement until such violations have been remedied, or (ii) terminate the business relationship with immediate effect if the violation of a protected legal position or environmental obligation is very serious and STADA taking into account all the circumstances of the specific case and weighing the interests of both parties, cannot reasonably be expected to continue the contractual relationship until the agreed end or until the expiry of a notice period. Further contractual obligations remain unaffected by this Business Partners Code of Conduct and take precedence over the provisions herein.

6.10 ADJUSTMENTS AND AMENDMENTS OF THE BUSINESS PARTNERS CODE OF CONDUCT

This Business Partners Code of Conduct may be subject to subsequent changes in order to reflect a changing legal and/or regulatory environment.