

Chugai Group Supplier Code of Conduct

Preface

As a member of the Pharmaceutical Supply Chain Initiative (the “PSCI”), a non-profit organization consisting of global pharmaceutical and healthcare companies, the Chugai Group aims to improve the safety, environmental, and social conditions throughout the supply chain, and effectively promote sustainable global transformation.

To achieve this goal, the Chugai Group has created the “Chugai Group Supplier Code of Conduct” (the “SCC”) based on the PSCI’s “Pharmaceutical Industry Principles for Responsible Supply Chain Management”. The SCC sets forth the requirements that the suppliers of the Chugai Group should comply with in respect to ethics, human rights, health & safety, environmental sustainability, and related governance and management systems.

The Chugai Group hereby commits to respecting and complying with the principles provided in the SCC. We would like to work together with our valued suppliers to foster a sustainable society by sharing our knowledge and experience. We respectfully request that all suppliers agree with, respect, and comply with the content of the SCC.

Ethics

Suppliers shall conduct their business responsibly, ethically, and act with integrity. The Ethics Principles are:

1. PATIENT SAFETY AND ACCESS TO INFORMATION

Suppliers shall ensure that adequate management systems are in place to minimize the risk of adversely impacting the rights of patients, subjects, and donors, including their rights to health and to access information directly.

2. ANTI-BRIBERY AND CORRUPTION

All forms of corruption, including bribery, extortion, and embezzlement, are prohibited. Suppliers shall not pay or accept bribes, participate in other corrupt inducements in business or government relationships, or use intermediaries to secure an unfair advantage. Suppliers shall ensure they have adequate systems in place to prevent corruption and comply with applicable laws.

3. FAIR COMPETITION

Suppliers shall conduct their business consistently with fair and vigorous competition and in compliance with all applicable anti-trust laws. Suppliers shall employ fair business practices, including accurate and truthful advertising.

4. ANIMAL WELFARE

Animals shall be treated humanely, having their pain and stress minimized. Animal testing should be performed after considering their replacement, reducing the numbers of animals used, or refining procedures to minimize their distress. Alternatives should be used wherever these are scientifically valid and acceptable to regulators.

5. DATA PRIVACY AND SECURITY

Suppliers shall safeguard and make only proper use of private and confidential information to ensure that company confidential information and privacy rights of workers, patients, donors, clients, and all data subjects are protected. Suppliers shall comply with applicable privacy and data protection laws and ensure the protection, security, and lawful use of personal data.

6. AVOIDANCE AND MANAGEMENT OF CONFLICTS OF INTEREST

Suppliers shall take reasonable care to identify, avoid, and manage conflicts of interest. Suppliers are expected to notify all affected parties if an actual or potential conflict of interest arises.

7. PRODUCT PROTECTION AND QUALITY

Suppliers shall ensure that management and security systems protect products, components, and raw materials from the risks of adulteration, falsification, or theft for the purpose of illegal resale.

Human Rights

Suppliers shall demonstrate commitment to respect the human rights of both internal and external stakeholders, ensuring all individuals are treated with dignity and respect. The Human Rights Principles are:

1. FREELY CHOSEN EMPLOYMENT

Suppliers shall not use forced, bonded, or indentured labor, involuntary prison labor, or take part in human trafficking or any form of modern slavery. No worker shall be required to pay for a job or have their freedom of movement restricted.

2. CHILD LABOR AND YOUNG WORKERS

Suppliers shall not use child labor. The employment of young workers under the age of 18 can only occur in non-hazardous roles and in compliance with the legal minimum age for employment in the relevant country, or the age at which compulsory education is completed.

3. NON-DISCRIMINATION

Suppliers shall strive to promote equality, maintaining a work environment free from discrimination based on race, color, age, pregnancy, gender, sexual orientation, ethnicity, disability, religion, political affiliation, union membership, or marital status.

4. FAIR TREATMENT

Suppliers shall ensure a work environment free of harassment or harsh and inhumane treatment, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, and verbal abuse or threat of workers.

5. WAGES, BENEFITS AND WORKING HOURS

Suppliers shall compensate workers in accordance with applicable wage legislation and agreed employment contracts, including adherence to minimum wage requirements, payment for overtime hours, and provision of legally mandated benefits. Suppliers shall timely communicate with the basis of compensation to workers. Overtime work shall be voluntary and

aligned with applicable national and international standards. Suppliers shall communicate to workers whether overtime is required and the corresponding pay rates.

6. FREEDOM OF ASSOCIATION AND RIGHT TO COLLECTIVE BARGAINING

Open communication and direct engagement with workers (i.e. social dialogue) to resolve workplace and compensation issues are encouraged. Suppliers shall respect the workers' rights, as defined by local laws, to freely associate, join or refrain from joining trade unions, seek representation and join workers' councils, and engage in collective bargaining. In countries where the rights to freedom of association and collective bargaining are restricted by law, the employer shall facilitate and not obstruct the development of parallel independent means for free association and bargaining. Workers shall be able to communicate openly with management about working conditions without fear of retaliation.

7. LOCAL COMMUNITIES

Suppliers shall respect the rights of the local communities surrounding their operational sites, including the right to a clean and healthy environment.

Health and Safety

Suppliers shall provide a safe and healthy work environment and support the wellbeing of workers. Health and Safety measures shall extend to contractors and subcontractors on supplier sites. The Health and Safety Principles are:

1. SAFETY OF THE WORK ENVIRONMENT

Suppliers shall implement adequate risk assessments and emergency plans to ensure the safety of the work environment. Safety information related to hazardous materials – including pharmaceutical compounds and pharmaceutical intermediate materials – shall be available and used to educate, train, and protect workers from potential hazards. Suppliers shall demonstrate a high standard of housekeeping practice and a culture of safety.

2. WORKER PROTECTION, HEALTH, AND WELLBEING

Suppliers shall protect workers from overexposure to chemical, biological, and physical hazards. Appropriate equipment, facilities, and services shall be provided to support the safety, health, and wellbeing of workers

3. PROCESS SAFETY

Suppliers shall have in place management processes to identify the risks associated with chemical and biological processes and to prevent the catastrophic release of chemical or biological hazardous agents.

Environment

Suppliers shall operate in an environmentally responsible and efficient manner, aiming to minimize adverse impacts on the environment and support their own suppliers to do the same. Suppliers are encouraged to conserve natural resources, reduce greenhouse gas (GHG) emissions, preserve biodiversity and clean water, and minimize and control the use of hazardous materials. The Environment Principles are:

1. ENVIRONMENTAL AUTHORIZATIONS AND REPORTING

Suppliers shall comply with all applicable environmental regulations and obtain all required environmental permits, licenses, and registrations. Suppliers shall adhere to all restrictions and follow operational and reporting requirements.

2. MANAGEMENT OF WASTE AND EMISSIONS

Suppliers shall appropriately manage, control, and treat any waste, wastewater, or emissions that could adversely impact human or environmental health prior to release into the environment. This includes responsibly managing releases of active pharmaceuticals into the environment (PiE).

3. CLIMATE CHANGE

Suppliers shall monitor and reduce their greenhouse gas (GHG) emissions and support their suppliers to do the same.

4. RESOURCE EFFICIENCY

Suppliers shall strive for circularity by designing out waste, taking measures to improve efficiency and reduce resource consumption - including water, and favoring renewable and sustainable sources. Suppliers shall also take measures to reuse and recycle materials.

5. BIODIVERSITY CONSERVATION

Suppliers shall understand the impacts of their operations on biodiversity and take steps to reduce and mitigate their environmental footprint wherever possible.

6. SPILLS AND RELEASES PREVENTION

Suppliers shall have effective systems in place to prevent and manage accidental spills and releases to the environment, mitigating and minimising any adverse impact on the environment of the local community.

Governance and Management Systems

Strong governance and management systems are the foundation for ensuring compliance with all the SCC Principles. Suppliers shall implement appropriate systems to conduct due diligence on risks and impacts, monitor relevant legislation, set priorities, assign responsibilities, adopt risk-mitigation measures, and support continuous improvement and compliance. The Governance and Management Systems Principles are:

1. CULTURE, COMMITMENT, AND ACCOUNTABILITY

Suppliers shall demonstrate commitment to the principles described in this document by allocating appropriate resources, defining senior responsible personnel, and creating a culture of responsible practices.

2. LEGAL AND CUSTOMER REQUIREMENTS

Suppliers shall identify and comply with applicable laws, regulations, recognized standards, and relevant customer requirements.

3. RISK MANAGEMENT

Suppliers shall have mechanisms in place to identify, assess, and manage risks in all areas covered by these Principles. Suppliers shall have in place a management of change process to evaluate and control the risks associated with operational change.

4. TRACEABILITY AND CONTROL

Suppliers shall have systems in place to conduct due diligence across their own supply chain - including traceability of raw material, to support legal and sustainable sourcing.

5. TRAINING AND COMPETENCY

Suppliers shall maintain a training program that equips workers and management with an appropriate level of knowledge, skills, and abilities to meet the expectations set out in these Principles.

6. DOCUMENTATION

Suppliers shall maintain all necessary documentation to demonstrate conformance with these Principles and compliance with applicable regulations.

7. CONTINUAL IMPROVEMENT

Suppliers are expected to pursue continual improvement by setting performance objectives and executing implementation plans. Suppliers shall take necessary corrective actions for deficiencies identified through internal or external assessments, inspections, and management reviews, including the record and report of near-misses, incidents, and opportunities for incident prevention.

8. EMERGENCY PREPAREDNESS AND RESPONSE

Suppliers shall have effective emergency plans and response procedures.

9. GRIEVANCE MECHANISMS

Suppliers shall establish accessible grievance mechanisms to internal and external stakeholders, who shall be encouraged to use them to report concerns, illegal activities, or breaches of these Principles at work without fear or threat of actual reprisal, intimidation, or harassment.

10. RESPONSE AND REMEDIATION

Suppliers shall properly investigate incidents or concerns relating to these Principles, take necessary corrective actions, and provide remediation where required.

11. EFFECTIVE COMMUNICATION

Suppliers shall have effective systems to communicate these Principles to relevant stakeholders, including their workers, contractors, suppliers, and local communities.