



# **LABOR, HEALTH, AND SAFETY POLICY AND ENVIRONMENTAL COMMITMENTS**

# LABOR, HEALTH, AND SAFETY POLICY

## 1. FAIR LABOR AND EMPLOYMENT POLICY

- 1.1. EQUAL OPPORTUNITY.** Service Provider/Consultant represents, warrants, and undertakes that it is an equal opportunity employer. As such, it does not undertake any discrimination of any kind. In all stages of employment which includes but is not limited to recruitment, promotion, salary determination, training, transfer, and termination, Service Provider/Consultant ensures that all persons are given equal opportunities regardless of sex, gender, race, religion, nationality, disability, political convictions, or other legally protected status.
- 1.2. EMPLOYEE HEALTH AND SAFETY.** Service Provider/Consultant understands that the physical and psychological health and safety of all its employees are of paramount importance. Service Provider/Consultant aims to provide a workplace that promotes its employees' physical and psychological well-being in compliance with all relevant Laws. Furthermore, Service Provider/Consultant recognizes that every individual has the right to be treated with respect. As such, Service Provider/Consultant strives to uphold a work environment that is free from intimidation, bullying, or victimization behaviour. Service Provider/Consultant advocates a culture of confidence so any employee who believes that they are being intimidated, bullied, or victimized are free to voice their complaints because such incidents shall be treated with utmost sensitivity.
- 1.3. PROTECTION AGAINST FORCED LABOR.** Service Provider/Consultant declares that it is a firm advocate of human rights. Service Provider/Consultant represents, warrants, and undertakes that it and its Affiliates do not employ any persons below the legal minimum employment age requirement in all the countries of its operation. Moreover, Service Provider/Consultant does not use any forced labor – prison, indentured, bonded, or otherwise. All employees of Service Provider/Consultant are working voluntarily. The employees have the freedom to terminate their employment at any time subject to the notice requirements of the relevant labor law in the country of operation.

## 2. HEALTH AND SAFETY POLICY

- 2.1.** The Service Provider/Consultant shall fully commit to abiding by all applicable Laws relating to health and safety and shall demonstrate their dedication to safety by complying with all safety requirements imposed by the Client. In cases where the nature of Services being performed entails a higher level of risk or complexity, the Service Provider shall, at its own cost, deploy safety supervisors and staff when undertaking the Services and shall err on the side of caution in this regard.

## 3. COMPLIANCE

- 3.1. COMPLIANCE MEASURES.** Service Provider/Consultant acknowledges that Client shall continuously monitor the labor, health, safety, and environmental policies of Service Provider/Consultant. The Service Provider/Consultant shall at its own costs at all times do everything necessary and possible to ensure that the highest possible standards of labor, health, safety, and environmental protection exceeds the

requirements of the applicable Laws and amount to the very best practices are adhered to, met, and implemented for the Services and the Agreement between the Parties. For the avoidance of doubt, the Service Provider/Consultant shall always comply with all Laws in connection with labor, health, safety, and environmental protection. During the Term of the Master Agreement or any Work Statement, Client may, from time to time, request Service Provider/Consultant to provide documentation evidencing Service Provider's/Consultant's compliance with this Policy. The documents that Client may request from Service Provider/Consultant shall depend on the nature of the Services.

**3.2. FAILURE TO COMPLY AS GROUNDS FOR TERMINATION.** Client considers this Policy to be vital to Service Provider's/Consultant's performance of its obligations. If Service Provider/Consultant commits a breach of any of the provisions of this Policy, or if after due evaluation Client discovers that the Service Provider/Consultant's labor, health, safety, and environmental policies are not in line with this Policy, Service Provider/Consultant shall undergo Client's Sustainability Development Program wherein Service Provider/Consultant undertakes to improve its sustainability performance through a series of action plans approved by the Client. Service Provider/Consultant agrees that in the event it fails to undergo the Sustainability Development Program or fails to implement the actions plans developed under the Sustainability Development Program, such failure shall constitute a material breach under the terms of this Master Agreement and Client may terminate the Master Agreement and all Work Statements accordingly without being in breach or incurring any liability to the Service Provider/Consultant.

## ENVIRONMENTAL COMMITMENTS

**APPLICABILITY:** This document is only applicable to Service Providers who are considered Greenhouse Gas (GHG) critical. For non-critical Service Providers, this is not applicable. However, similar efforts to join and be a part of this environmental commitment are strongly encouraged. Please be informed that the requirements stated in the Environment & Climate Protection section of the Supplier Code of Conduct are, on the other hand, applicable to all Service Providers.

The GHG Protocol which can be found in <https://ghgprotocol.org/standards> is the world's most widely used and recognized standard for quantifying and managing GHG emissions and the Client adheres to these standards as part of its sustainability efforts to monitor and measure its Greenhouse Gas emissions. For clarity, Greenhouse Gas emissions shall mean the release of greenhouse gases such as carbon dioxide, methane, and nitrous oxide, into the atmosphere.

A Service Provider shall be categorized as GHG critical if it falls under specific sectors critical to carbon emissions. This includes the following:

- a. Service Providers who provide transportation, logistics, or delivery services.
- b. Service providers who provide packaging services.

### 1. COMMITMENTS

- 1.1. **COMMITMENT TO ADDRESS CLIMATE CHANGE.** The Client is dedicated to addressing climate change and has publicly committed to achieving carbon neutrality on its own operations by 2030, with a primary focus on reducing carbon emissions by at least 42% versus a 2021 baseline. on its own operations by 2030. This commitment extends beyond the Client's own operations to include a proactive approach in reducing indirect emissions from its Service Providers by at least twenty-five (25%) percent from its 2021 baseline. Recognizing the global imperative to combat climate change is essential to the Client and the GHG Critical Service Providers play a pivotal role in this collective effort to decrease carbon emissions. By embracing this commitment, Service Providers not only align with Client's sustainability goals but also contribute significantly to global environmental conservation efforts.
- 1.2. **ENVIRONMENTAL BENEFITS.** This commitment not only aligns with global efforts to combat climate change. It also positions the Client and its Service Providers at the forefront of environmental stewardship. By collectively working towards this goal, Zuellig Pharma and its Service Providers can jointly contribute to a healthier planet, reduced environmental impact, and a more sustainable future.
- 1.3. **ZUELLIG PHARMA'S SUSTAINABILITY PROGRAM:** In view of such, the Client invites all its GHG critical Service Providers to actively participate and join the Zuellig Pharma Sustainability Program ("Program"). This Program is in alignment with internationally accredited supply chain frameworks such as CDP (Carbon Disclosure Project), EcoVadis, and SBTi (Science-Based Targets Initiative). As part of this Program, GHG Critical Service Providers shall:
  - 1.3.1. Respond, to the best of its knowledge, to Environmental, Social, and Governance questionnaires (ESG) questionnaires.
  - 1.3.2. participate, when possible, in ESG trainings and webinars organized or shared by the Client.
  - 1.3.3. commit to reduce GHG emissions generated by products and services provided to the Client by 2030.
- 1.4. **CALCULATION AND DISCLOSURE.** GHG Critical Service Provider shall commit to calculating and disclosing operational CO<sub>2</sub> emissions (Scope 1 and 2) by 2025 at the latest. The acceptable methodology involves prorating emissions based on Client's contribution to Service Provider's revenue, while the preferred methodology entails assessing the actual GHG impact of products and services. Scope 1 emissions shall mean direct emissions from owned or controlled sources, such as fuel and combustion

in vehicles while Scope 2 emissions shall mean indirect emissions from the generation of purchased electricity, heat, or steam.

## 2. SUSTAINABILITY POLICY

- 2.1. The Service Provider shall comply with the Client's Sustainability Policy, set forth at <https://www.zuelligpharma.com/about-us/sustainability>.

## 3. COMPLIANCE

- 3.1. **COMPLIANCE MEASURES.** Service Provider acknowledges that Client shall continuously monitor the Service Provider's environmental policies. During the Term of this Agreement, Client may, from time to time, request Service Provider to provide documentation evidencing Service Provider's compliance with this document. The documents that Client may request from Service Provider shall depend on the nature of the services and the agreement of the Parties.

