

## SUPPLIER CODE OF CONDUCT POLICY

### 1. Introduction

SK pharmteco, Inc. (together with its subsidiaries, the “**Company**”) is committed to the highest standards of labor, human rights, environmental, and ethical conduct. We believe that good business means a better world. We deliver pharmaceutical solutions while striving for economic, social, and environmental sustainability. Our suppliers are our business partners with expertise and capabilities that we use to enable improvements in efficiency, effectiveness, and business continuity which allows the Company to deliver scientific innovations to benefit our customers and ultimately to patients. Our suppliers play an important role as enablers of our sustainable growth and overall success. We hold ourselves and our suppliers to the same high standards through the Supplier Code of Conduct (this “**Code**”), and in full compliance with all applicable Laws and Regulations.

The Company Code is based on the [UN Guiding Principles for Business and Human Rights \(UNGPs\)](#) and incorporates the five auditable key principles of the [Pharmaceutical Supply Chain Initiative \(PSCI\)](#) :

- **Ethics:** Suppliers shall conduct their business in an ethical manner and act with integrity.
- **Human Rights and Labor Rights:** Suppliers shall be committed to uphold the human rights of workers and to treat them with dignity and respect.
- **Health and Safety:** Suppliers shall provide a safe and healthy working environment, including for any company-provided living quarters.
- **Environment:** Suppliers shall operate in an environmentally responsible and efficient manner, and they shall minimize adverse impacts on the environment.
- **Management Systems:** Suppliers shall use management systems to facilitate continual improvement and compliance with the expectations of these principles.

In addition to these five auditable sustainability principles, we ask our suppliers to protect intellectual property and customer information, promote economic sustainability in their communities, and support diverse suppliers.

The Code also asks suppliers for cooperation with the Company on innovation, economic sustainability, and diversity.

#### 1.1. **Companies supporting the principles embodied in this Code of Conduct:**

- (a) Will integrate and apply these principles in a manner consistent with their own supplier programs.

(b) Believe that society and business are best served by responsible business behaviors and practices. Fundamental to this belief is the understanding that a business must, at a minimum, operate in full compliance with all applicable laws, rules, and regulations.

(c) Are aware of differences in culture and the challenges associated with interpreting and applying these principles globally. While companies supporting the principles believe that what is expected is universal, it is understood that the methods for meeting these expectations may be different and must be consistent with the laws, values, and cultural expectations of the different societies in the world.

(d) Believe the principles are best implemented through a continual improvement approach that advances supplier performance over time.

(e) Will have a process for timely correction of any deficiencies or violations identified by an internal or external audit, assessment, inspection, investigation, or review.

The Company requires its suppliers to explicitly acknowledge and adhere to the principles embodied in this Code, and to ensure that their own suppliers will also comply with these principles.

The Company evaluates our supplier's adherence to the Code through our Supplier Sustainability Assurance Audit program.

Supplier shall permit the Company, or a designated third party to periodically evaluate Supplier's facilities and operations, and those of its subcontractors and sub-tier suppliers providing goods or services to the Company, to assess Supplier's compliance with the applicable principles and requirements of the Code. Supplier shall not have manufacturing operations in, recruit labor directly or indirectly from, or source materials, products, or services directly or indirectly from, regions where the Company and designated Third Parties cannot access and conduct a comprehensive, independent evaluation of Supplier's compliance with this Code.

## **2. Ethics**

*Suppliers shall conduct their business in an ethical manner and act with integrity. The ethics elements include:*

### **2.1. Business Integrity**

All corruption, extortion and embezzlement are prohibited. Suppliers shall not pay or accept bribes or participate in other illegal inducements in business or government relationships, or through the use of intermediaries. Suppliers shall ensure they have adequate systems in place to prevent bribery and comply with all applicable laws. Supplier shall abide by all applicable anti-corruption laws and regulations of the countries in which it operates, including the Foreign Corrupt Practices Act (FCPA) and applicable international anticorruption conventions.

### **2.2. Fair Competition**

Suppliers shall conduct their business consistent 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.

### **2.3. Identification of Concerns**

All workers should be encouraged to report concerns or illegal activities in the workplace, without threat of reprisal, intimidation, or harassment. Suppliers shall investigate and take corrective action(s) if needed.

### **2.4. Privacy and Data Protection**

Suppliers shall safeguard and make only proper use of confidential information to ensure that company, worker, and patient privacy rights are protected. Suppliers shall comply with all applicable privacy, data protection, and cybersecurity laws and ensure the protection, security, and lawful use of personal data.

### **2.5. Conflict of Interest**

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

### **2.6. Responsible Sourcing of Materials & Minerals**

Supplier shall exercise due diligence on relevant materials and minerals in their supply chains. Supplier shall develop due diligence policies and management systems to identify applicable risks and take appropriate steps to mitigate them. Due diligence shall be conducted down to the material processing level to determine whether relevant materials or minerals originate from High-risk Regions, which include areas associated with conflict, the worst forms of child labor, forced labor and human trafficking, gross human rights violations such as widespread sexual violence, or other reasonably objective high-risk activities, including severe health and safety risks, as well as negative environmental impacts. Suppliers shall ensure that products supplied to SK pharmteco do not contain metals derived from minerals or their derivatives originated from conflict regions that directly or indirectly finance or benefit armed groups and cause or foster human rights abuses.

## **3. Labor**

*Suppliers shall be committed to uphold the human rights of workers and to treat them with dignity and respect. The labor elements include:*

### **3.1. Freely Chosen Employment:**

Supplier shall ensure that all work is voluntary. Supplier shall not traffic persons or use any form of slave, forced, bonded, indentured, or prison labor. Involuntary labor includes the transportation, harboring, recruitment, transfer, receipt, or employment of persons by means of

threat, force, coercion, abduction, fraud, or payments to any person having control over another person for the purpose of their exploitation.

### **3.2. Child Labor and Young Workers**

Suppliers shall not use child labor. The employment of young workers below the age of 18 shall only occur in non-hazardous work and when young workers are above a country's legal age for employment, or the age established for completing compulsory education.

### **3.3. Non-Discrimination**

Suppliers shall provide a workplace free of harassment and discrimination. Discrimination for reasons such as color, age, gender, sexual orientation, ethnicity, disability, religion, political affiliation, union membership or marital status is not tolerated.

### **3.4. Fair Treatment**

Suppliers shall provide a workplace free of harsh and inhumane treatment, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers and the threat of any such treatment.

### **3.5. Wages, Benefits and Working Hours**

Suppliers shall pay workers according to applicable wage laws, including minimum wages, overtime hours and mandated benefits. Suppliers shall communicate with their workers the basis on which they are being compensated in a timely manner. Suppliers are also expected to communicate with their workers whether overtime is required and the wages to be paid for such overtime.

### **3.6. Freedom of Association**

Open communication and direct engagement with workers to resolve workplace and compensation issues is encouraged. Suppliers shall respect the rights of workers, as set forth in local laws, to associate freely, join or not join labor unions, seek representation, and join workers' councils. Workers shall be able to communicate openly with management regarding working conditions without threat of reprisal, intimidation, or harassment.

### **3.7. Whistleblower Protection and Anonymous Complaints**

Supplier shall provide an anonymous complaint mechanism for managers and workers to report workplace grievances. Supplier shall protect whistleblower confidentiality and prohibit retaliation.

### **3.8. Community Engagement**

Supplier is encouraged to help foster social and economic development and to contribute to the sustainability of the communities in which it operates.

### **3.9. Regulatory Compliance (ICH guidelines)**

Whenever providing materials or services under cGMP, meaning current Good Manufacturing Practices as incorporated in 21 C.F.R. Parts 210, 211, 600, 601, and 610 and applicable International Council for Harmonization (ICH) guidance, as the same may be amended from time-to-time, Suppliers shall (a) not employ or use any person who has been debarred under § 306(a) or § 306(b) of the Federal Food, Drug and Cosmetic Act (codified at 21 U.S.C. § 335(a) and (b) will not in the future employ or use and any debarred person to perform any manufacturing or any other activities for SK pharmteco. Neither Supplier nor any person employed or used by Supplier has a conviction on their record for which a person can be debarred as described in § 306(a) or § 306(b) of the Federal Food, Drug and Cosmetic Act.

## **4. Health and Safety**

*Suppliers shall provide a safe and healthy working environment, including for any company-provided living quarters. The health and safety elements include:*

### **4.1. Worker Protection**

Suppliers shall protect workers from, but not limited to, over exposure to chemical, biological, environmental, and physical hazards, including physically demanding tasks, in the workplace and in any company-provided living quarters. Process Safety Suppliers shall have programs in place to prevent or mitigate catastrophic releases of chemicals.

### **4.2. Emergency Preparedness and Response**

Suppliers shall identify and assess emergency situations in the workplace and any company-provided living quarters. For each situation, Supplier shall develop and implement emergency plans and response procedures that will minimize harm to life, environment, and property.

### **4.3. Infectious Disease Preparedness and Response**

Supplier shall develop and implement a program to take reasonable steps to prepare for, prevent, and respond to the potential for an infectious disease among its employees.

### **4.4. Hazard Information**

Safety information relating to all hazardous materials – including pharmaceutical compounds and pharmaceutical intermediate materials – shall be available to educate, train and protect workers from hazards.

## **5. Environment**

*Suppliers shall operate in an environmentally responsible and efficient manner, and they shall minimize adverse impacts on the environment. Suppliers are encouraged to conserve natural resources, avoid the use of hazardous materials where possible and engage in activities that reuse and recycle. The environmental elements include:*

### **5.1. Environmental Permits and Reporting**

Suppliers shall comply with all applicable environmental regulations. Supplier shall obtain and operate within all required environmental permits, licenses, information registrations and restrictions, and shall follow their operational and reporting requirements.

### **5.2. Waste and Emissions**

Suppliers shall have systems in place to ensure the safe handling, movement, storage, recycling, reuse or management of waste, air emissions and wastewater discharges. Any waste, wastewater, or emissions with the potential to adversely impact human or environmental health shall be appropriately managed, controlled and treated prior to release into the environment.

### **5.3. Spills and Releases**

Suppliers shall have systems in place to prevent and mitigate accidental spills and releases to the environment.

## **6. Management Systems**

*Suppliers shall use management systems to facilitate continual improvement and compliance with the expectations of these principles. The management systems elements include:*

### **6.1. Commitment and Accountability**

Suppliers shall demonstrate commitment to the concepts described in this document by allocating appropriate resources.

### **6.2. Legal and Customer Requirements**

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

### **6.3. Risk Management**

Suppliers shall have mechanisms to determine and manage risks in all areas addressed by this document.

### **6.4. Documentation**

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

#### **6.5. Training and Competency**

Suppliers shall have a training program that achieves an appropriate level of knowledge, skills and abilities in management and workers to address these expectations.

#### **6.6. Continual Improvement**

Suppliers are expected to continually improve by setting performance objectives, executing implementation plans and taking necessary corrective actions for deficiencies identified by internal or external assessments, inspections, and management reviews.

#### **6.7. Disclosure of Information**

Supplier shall accurately record information regarding its business activities, labor, health and safety, and environmental practices and shall disclose such information, without falsification or misrepresentation to all appropriate parties and as required by law.

#### **6.8. Supplier Company Statement**

Supplier shall develop a company statement affirming its commitment to high standards of social and environmental responsibility, ethical conduct, and continuous improvement. Supplier shall post this statement in the primary local language at all its facilities.

### **7. Additional Principles of equal importance**

*In addition to the above mentioned PSCI Principles, the following principles are of equal importance to the Company and must be complied:*

#### **7.1. Intellectual Property**

SK pharmteco delivers innovative pharmaceutical solutions that improve people's health and quality of life by working with suppliers that can best meet our business demands and requirements in terms of cost, innovation, integrity, quality, suitability, credibility, and sustainability. As business partners supporting our efforts, suppliers shall respect Company's intellectual property rights, protect our trade secrets and confidential information, and safeguard customer information. Suppliers shall manage technology and know-how in a manner that protects intellectual property rights.

#### **7.2. Economic Sustainability**

Suppliers are encouraged to help foster social and economic development and contribute to the sustainability of the communities in which they operate.

### **7.3. Supplier Diversity**

Suppliers shall engage socially and economically different categories of suppliers through inclusive sourcing processes that promote equal opportunities.

## **8. Compliance**

By its acceptance of any purchase order from the Company, Supplier acknowledges and certifies its compliance with the principles and requirements of the newest version of this Code.

### **8.1. Compliance Declaration**

Supplier confirms:

(a) Supplier has received and taken due note of the current SK pharmteco Supplier Code of Conduct and commits itself to fully comply with the principles and requirements.

(b) Supplier agrees that the Company may carry out periodic, unannounced inspections or audits on Supplier facilities to verify Supplier's compliance with this Code.

(c) Supplier has effectively communicated the contents of this Code to its employees, agents, subcontractors, and suppliers and ensures all measures required are implemented accordingly.

(d) Supplier also confirms that it has noted that compliance with this Code is an essential prerequisite for business relations between the Company and Supplier.

### **8.2. Periodic update of the Code**

The Company will review this Code on a regular basis and will introduce revisions where necessary. The Company will notify its Suppliers of any important changes and request Supplier's acknowledgement to both the initial code and any subsequent revisions.

Suppliers shall make this Code available to their employees working on business for the Company. Suppliers shall also maintain appropriate documentation to demonstrate compliance with this Code, as well as their own code of ethics policy, and must provide Company with the means to verify such compliance upon a request made by the Company.

## **9. Duty to Cooperate**

### **9.1. Supplier Sustainability Assurance Audit**

The Company may at times evaluate its supplier's adherence to the Code through our Supplier Sustainability Assurance Audit program. As part of these reviews, the Company requires all suppliers, agents, and third-party representatives to cooperate with the Company, outside legal counsel, outside auditors, or other similar parties. The Company views failure to cooperate in an



audit as a breach of supplier's obligations to the Company and will deal with this failure severely in accordance with any local laws or regulations.

## **9.2. Termination of Agreement**

Suppliers and their agents must be familiar with and perform their duties according to the requirements set out in this Code. In the event that the Company becomes aware of any actions or conditions not in compliance with this Code, the Company reserves the right to request corrective actions and the right to terminate any agreement with any Supplier who does not comply or violates this Code.

## **10. Questions About the Policy**

10.1. If you have any questions relating to this Policy, please contact the Company's Supply Chain department.

## **11. Reporting Violations.**

11.1. Suppliers shall make all reasonable efforts to immediately report any violations of this Code by the Company, by its own employees, and by other suppliers to the Company.

11.2. Suppliers shall report any potential violation of this Code immediately using SK Inc.'s online reporting channel at <https://ethics.sk.co.kr/Report/OnlineReportIN> (the "SK Reporting Channel").

\* \* \* \* \*