

Supplier Business Conduct

At DKSH, we are committed to conducting our business responsibly – always acting lawfully and with high ethical standards, respecting human rights, offering decent and fair working conditions, and taking responsibility for our environmental impacts, in line with our DKSH Code of Conduct and our commitment to the Ten Principles of the United Nations Global Compact.

DKSH expects business partners in its supply chain (“Suppliers”) to commit to DKSH’s standards and reserves its rights to turn down business opportunities, or to discontinue business relationships with Suppliers who do not meet DKSH’s expected standards of doing business, as outlined herein below.

1. Lawful and ethical business conduct

DKSH believes in free markets, fair competition, and responsible marketing practices. Suppliers shall always act in a lawful and ethically sound manner, and shall not offer, provide, or accept any undue favors to obtain or retain DKSH business. No intermediaries, such as agents, consultants or any other business partner shall be used to commit corrupt acts or bribery.

Suppliers shall observe the following requirements:

- DKSH does not do business with Suppliers that do not respect the rule of law and may negatively affect DKSH’s reputation. DKSH expects all its Suppliers to follow all applicable laws and regulations, to apply high ethical standards, and to always act with integrity in all their business dealings. If laws and regulations require a higher standard than those set out herein, then the higher standard shall apply. If the ethical standards as set out herein set a higher standard, they shall supersede local laws and regulations, unless in conflict with such laws and regulations.
- Suppliers shall observe the rules of fair competition and shall not adopt any practices that may have an adverse effect on DKSH. All forms of bribery, corruption, extortion, or embezzlement are strictly prohibited. Suppliers shall never offer, pay, solicit, or accept any bribes or other forms of illegal or unethical inducement in business relationships or especially when dealing with public officials and/or healthcare professionals, and they shall never make use of third parties to do such things on their behalf.
 - **Gifts, Hospitality, and Entertainment:** Gifts and/or any form of hospitality or entertainment shall never be offered, promised, or paid on behalf of DKSH or to DKSH employees or intermediaries for obtaining or retaining business. Any gifts or entertainment shall be modest, reasonable, and infrequent.
 - **Facilitation payments:** Facilitation payments generally are low value favors (e.g. cash, samples) offered to public officials to accelerate or prevent a non-discretionary routine action. DKSH does not tolerate facilitation payments and expects the same from its Suppliers.
- Suppliers shall disclose any conflict-of-interest situation prior to entering a relationship with DKSH, or as soon as such a situation arises during an ongoing relationship. All business dealings between the Supplier and DKSH and its employees shall always be open, fair, and transparent.
- 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 if needed.
- Suppliers shall safeguard and make only proper use of confidential information to ensure that company, worker and business partner privacy rights are protected with applicable confidentiality and intellectual property laws and regulations.

- Suppliers at all times shall maintain compliance with applicable laws, regulations and rules governing the cross-border exchange of goods, service and data, including but not limited to export controls, embargoes, trade sanctions, customs and anti-boycott laws.
- Suppliers shall comply with applicable accounting laws and standards. All transactions must be properly and accurately recorded and supported by proper documentation. Suppliers shall never directly or indirectly make any false or inappropriate or unlawful transactions on behalf of DKSH.
- Suppliers shall disclose to DKSH whether any of their products supplied to DKSH contain any Conflict Minerals (*ref. OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*)

2. Labor and human rights

Suppliers shall uphold the human rights of workers and treat workers with dignity and respect.

2.1 Freely chosen employment

Suppliers shall observe the following requirements:

- The Suppliers' employees or workers have chosen their employment freely and they are fully paid for the work they do. They are free to leave their jobs after reasonable notice and are paid on time and in full for the work they have done prior to leaving.
- Suppliers shall not use any form of forced or involuntary labor, including bonded labor, prison labor or indentured labor
- Supplier shall not engage in or support any other form of modern slavery or human trafficking
- Workers are not required to hand over their identity papers to secure employment unless required under local law. If so, workers shall have access to their identity papers immediately upon request.
- Workers do not have to pay deposits or similar, to secure work or accommodation provided by the Supplier, or to obtain tools, training, or equipment necessary to carry out their work

2.2 Child labor

Suppliers must comply with ILO Conventions 138 and 182 and shall observe the following requirements:

- Suppliers shall not employ or in any other form make use of children below (the higher of) the local minimum working age or below the age of compulsory education, nor supply products to DKSH which have been produced using any form of child labor
- Young workers under the age of 18, legally employed, shall not carry out any hazardous work, night shifts or work that is likely to interfere with their education.
- Suppliers shall implement adequate procedures to monitor the ages of workers

2.3 Remuneration and working hours

Suppliers shall observe the following requirements:

- Workers shall be paid according to applicable wage laws, including minimum wages, overtime hours and mandatory benefits; basis upon which workers are paid (including benefits) and whether overtime will be required and the wages to be paid for such overtime must be communicated timely
- Working days and hours (incl. overtime), and rest time (breaks, time off) are aligned with local laws
- All legally required benefits are paid to workers on time and in full; workers shall not be required to do unpaid work

- Workers receive payment slips that provide transparency how wages were computed; deductions shall only be made according to local laws

2.4 Non-discrimination

Suppliers shall observe the following requirements:

- Workers shall not suffer from harassment or discrimination at any time during recruitment and whilst in employment for any reasons such as race, color, age, gender, sexual orientation, ethnicity, religion, disability, political affiliation, union membership, pregnancy or marital status, or any other form of harassment or discrimination.
- Supplier shall respect individuals in a manner consistent with the rights to privacy and data protection.

2.5 Freedom of association and collective bargaining

Suppliers shall observe the following requirements:

- Suppliers shall respect workers' rights under local laws to join or form trade unions or worker committees without fear of reprisal or discrimination

2.6 Fair treatment

Suppliers shall observe the following requirements:

- Suppliers shall apply fair employment practices and provide workplace free of any harsh or inhumane treatment, including sexual harassment or abuse, corporal punishment, mental or physical coercion or verbal abuse
- Suppliers shall ensure that workers understand disciplinary and grievance procedures, and any fines or similar imposed on workers are legal and fair

3. Health, Safety and Environment

DKSH expects Suppliers to offer safe workplaces for workers and to care about their health and well-being by protecting them against occupational hazards. Suppliers shall respect the environment and shall take adequate measures to protect the environment and to minimize adverse impacts.

Suppliers shall observe the following requirements:

- Suppliers shall have an appropriate management system in place to identify and mitigate workplace hazards, and to prevent injuries and illnesses. Workers shall be equipped with adequate safety equipment.
- Suppliers shall comply with all applicable laws and regulations and shall obtain and maintain all applicable permits, licenses, approvals, registrations and the like required for the operation of their business and shall follow any related reporting requirements
- Suppliers shall have an appropriate management system in place to prevent spills and to handle waste in an environmentally responsible manner (recycle, safe destruction), to preserve water resources and to minimize emissions. Waste or emissions with potential adverse effects on humans or the environment shall be appropriately treated before releasing.

4. Management system

- Suppliers shall establish and maintain a management system reasonably designed to ensure compliance and to facilitate continuous improvement with respect to expectations as outlined herein above. Suppliers must ensure that these expectations are appropriately communicated to all their directors, officers, employees, representatives, agents, and subcontractors that cater to DKSH's business whilst being a Supplier to DKSH ("Supplier Associates").

5. Supplier commitments

Suppliers shall acknowledge to have taken note of DKSH's Code of Conduct ([Sustainability \(dksh.com\)](https://www.dksh.com/sustainability)) and DKSH's expectations as stated herein and

- shall commits to apply them to all work, services or goods supplied to DKSH,
- confirm their understanding and agreement that DKSH may collect information on Suppliers to verify Supplier business conduct against DKSH's expectations, and
- shall agree to furnish DKSH with information as reasonably requested by DKSH from time to time to conduct such verification.

Where DKSH has reason to believe that Suppliers fall short of expectations, Suppliers shall acknowledge DKSH's right to turn down business opportunities or to seek discontinuation of the relationship, unless an agreement can be established on collaborating towards adequate improvement plans and actions to address DKSH's findings resulting from due diligence, pre-agreed audits or otherwise.

Suppliers shall agree to immediately inform DKSH on occurrence of incidents or other matters which could adversely affect DKSH's business – either by directly reaching out to the Supplier business contact at DKSH or, if inappropriate, reporting via DKSH's Integrity Line (<https://dksh.integrityline.org>). DKSH furthermore expects Supplier to report via IntegrityLine any Supplier concerns over improper conduct by DKSH personnel or other suppliers acting for and on behalf of DKSH.

Suppliers shall furthermore agree to take necessary measures to select and work with their suppliers and sub-contractors who conduct their business responsibly, in a manner as outlined herein above.

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