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**Supplier Code of Conduct**

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Version	Modification Date	Section	Amendment / Modification / Deletion	Brief Description of Change

**Cipla Limited**  
Regd. Office: Cipla House, Peninsula Business Park,  
Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400013



Established in 1935, Cipla is a global pharmaceutical company, focused on responsible and sustainable growth through a wide portfolio and strong customer relationships across its resident markets of India, South Africa, US and other key regulated and emerging markets. Cipla is a purpose-inspired, responsibility-centered, innovation-driven, excellence-focused, integrity & trust-anchored global pharmaceutical firm, which consistently cares for life and delivers on its commitment to all its stakeholders - suppliers, patients, regulators, customers, partners, employees, investors and community - this is the OneCipla Credo. In line with the OneCipla Credo and focus on sustainable growth, Cipla also works with its suppliers to identify agreed upon actions and schedules to achieve the desired progress. Cipla considers progress in meeting these standards and ongoing performance in its sourcing decisions. Therefore, the Supplier Code of Conduct (Code) is being implemented for our goods' and services' suppliers, which will act as a guiding principle for business conduct. Cipla expects its suppliers to adhere to the Code for their functioning.

### **Scope and applicability**

The Code is applicable to all suppliers, including, but not limited to those individuals and organizations that directly or indirectly provide services, raw materials, active pharmaceutical ingredients, components, finished goods or other products (hereinafter together referred to as Suppliers) to Cipla.

The Code shall be effective from May 12, 2020 as approved by the MD & GCEO.

### **Legal Compliance:**

Cipla's suppliers are expected to operate in compliance with all applicable laws and regulations of the countries, states and jurisdictions in which they operate and that of Cipla's contracting entity. This includes, but is not limited to business conduct, product quality, labor and employment practices, health, safety and environmental protection and fair-trade standards. They are expected to conform their practices to any published standards for their industry, obtain all applicable permits and to operate in accordance with permit limitations and requirements at all times.

## Ethics and Business Conduct

Cipla's suppliers are expected to behave ethically and with integrity in all business transactions. They, always, should:

- Uphold standards for fair business practices including accurate and truthful advertising, fair competition, accurate accounting, due disclosure and antitrust compliance
- Prohibit payment of bribes, illegal political contributions, or other illicit payments or methods for any reason, including the waiver of penalties or fines or the receipt of any other special benefits
- Safeguard against improper use of intellectual property, including disclosure of confidential or sensitive information, pricing, employee information or patient information and comply with all data and other privacy considerations
- Not engage in any form of private or public bribery, corruption or graft.
- Maintain an environment of transparency, collaboration and innovation
- Treat animals used in its activities in an ethical and humane manner and follow the principles of replacement, refinement, and reduction of laboratory research through animal testing
- Engage with Cipla only after appropriate declaration and its express waiver of any Conflicts of Interest

Comply with all laws that prohibit money laundering and terror financing. Suppliers should refrain from acquiring, using or holding monetary proceeds or property acquired through illegitimate means and prevent dealing with any specially designated persons listed by international organizations

- Comply with all laws that prohibit tax evasion as well as facilitation of tax evasion for its stakeholders
- Not offer any kind of gifts, irrespective of value to Cipla employees
- Provide means for their employees to confidentially report concerns or potential unethical activities in the workplace; such concerns should be duly investigated in detail and appropriate corrective actions should be taken post that the action report must be shared with Cipla for issues of direct or indirect consequence to it.

- Create program to ensure protection of whistleblowers' confidentiality and prohibit retaliation against workers who participate in such programs, in good faith, or refuse instructions that are in violation of the Cipla Code of Conduct

## **Quality and Patient Safety**

Our steadfast commitment towards our patients, our consistent focus on quality, patient safety and our ability to deliver superior value to our stakeholders through new products and customer facing initiatives is core to our business philosophy. In line with this, Cipla's suppliers are expected to meet the agreed upon product specifications and quality requirements in order to provide goods and services that consistently meet customers' needs, perform as required and are safe for patients. The product specifications and quality requirements shall be defined in the purchase order / supply agreement / quality agreement or any other document as agreed by Cipla and its supplier; also the supplier shall enforce strictest standards of data integrity and veracity in certifying quality compliance.

## **Human Rights, Labor and Employment**

Cipla's suppliers are expected to treat people with dignity and respect. As such, they should:

- Not use child, forced, bonded, indentured or involuntary prison labor either directly or indirectly through supplier's sub-contractors
- Not discriminate against or harass an individual based on race, color, religion, gender, pregnancy, HIV status, COVID status, health status, sexual orientation, national origin, age, disability, veteran's status, marital status, or political affiliation
- Not treat or threaten to treat an individual harshly or inhumanely; Harsh or inhumane treatment includes sexual harassment or abuse, corporal punishment, coercion or verbal abuse
- Avoid unsafe, unhealthy and contamination-prone working conditions and provide enough rest periods during the workday and honor agreed upon days off from work and maximum working hours
- Pay wages for all hours worked and clearly communicate the wages that employees are to be paid in advance of commencing work. Communicate to all employees if overtime is required and the wages to be paid for such overtime

- Respect workers' rights to make informed decisions, free of coercion, threat of reprisal or unlawful interference regarding their desire to join or not join organizations including trade unions
- Respect worker's rights to bargain collectively without unlawful interference
- Implement policies and/or procedures to evaluate and address risks of human trafficking (as defined by the United Nations and generally thought of as the recruitment, transportation, transfer, harboring or receipt of persons by threat or use of force, coercion, abduction, fraud, deception, abuse of power or vulnerability, or giving payments or benefits to a person in control of the victim)

## **Health, Safety and Well-being of Employees**

Cipla's suppliers are expected to maintain the workplace and any living quarters used to house their employees in a clean, orderly and safe manner. As such they should:

- Implement programs to prevent or control employee exposures to workplace hazards, including chemical, biological, and physical hazards
- Implement programs to manage processes safety and prevent catastrophic events
- Identify and encourage programs that promote access to health programs that positively impact the health of employees
- Identify potential emergency situations, implement preventive measures and be prepared to execute emergency response procedures
- Provide occupational health and safety training

## **Sustainability and Environmental Responsibility**

Cipla's suppliers are expected to operate in a sustainable and responsible manner. As such, they should:

- Work to reduce the environmental impact of their operations, including natural resource consumption, materials sourcing, waste generation, wastewater discharges and air emissions
- Handle and dispose the hazardous/Non-hazardous waste in an environmentally responsible way, and in compliance with applicable regulations.

- Prevent accidental release of hazardous materials into the environment and adverse environmental impact on the local community
- Implement programs to ensure products do not contain restricted or banned materials
- Implement programs that recognize, respect and invest in the local community

## Management Systems

Cipla's suppliers are expected to manage their activities systematically to maintain business continuity, meet the standards set forth in this document and to improve their operations continually. As such, they should:

- Demonstrate top management commitment and accountability through policies, objectives, and formal processes
- Implement processes to control documents and records
- Provide resources, including competent personnel and appropriate infrastructure, to ensure conformance to these standards
- Implement processes to control the production of Cipla products and/or materials, manage change effectively and ensure customer requirements are satisfied
- Implement processes to manage non-conformity, incident response and emergency situations related to products, business operations/continuity and these standards, including reporting of certain events to applicable regulatory authorities and Cipla as appropriate
- Provide advance notification of all anticipated supply disruptions to Cipla, irrespective of their underlying factors being expected to rise to a standard of force majeure or otherwise
- Identify and implement improvement actions, including effective complaint investigation, internal audit and corrective action processes

## Transparency and Disclosure

Cipla's suppliers are expected to make reasonable efforts to disclose (for example, on a website or a publicly available report) topics and goals that are important to the organization's impact on the environment and social issues. Among the issues that Cipla encourages its suppliers to review and be transparent about, are:



- Energy, Waste and Water Use/Reduction and Environment protection measures
- Employee Health, Safety and Wellness Programs
- Community and Human Rights Investments

## **Monitoring and Compliance**

Suppliers shall review their operations to ensure their compliance to all applicable legal requirements and their conformance to these standards and/or comparable industry-approved standards. If a regulatory agency, auditor, Cipla or a supplier identifies areas of non-compliance, the supplier is expected to develop, document and implement plans to remedy such non-compliance.

Cipla may engage in monitoring activities to confirm a supplier's compliance to these Standards, including on-site assessments of facilities, use of questionnaires, review of available information, or other measures necessary to review supplier's performance. Cipla reserves the right to disqualify any potential supplier or terminate any relationship with a current supplier that has failed to conform to these standards.

The MD&GCEO is authorized to amend the Code to give effect to any changes / amendments as maybe required from time to time.

Any questions and clarifications relating to this Policy should be addressed at [supplierCOC@cipla.com](mailto:supplierCOC@cipla.com)