

Today's CDMO. **Inspired by tomorrow.**

Responsible Supplier Standards



Purpose/Objectives

Sustainable Procurement is an essential part of PCI's commitment to Environmental, Social, and Governance (ESG). Meaningfully collaborating with our suppliers to advance social and environmental impact beyond our operations not only ensures progress against our ambitious sustainability targets, but also forges a resilient supply chain and a sustainable future for generations to come. PCI is committed to cultivating productive and effective business relationships grounded in trust, mutual respect, and shared values. For more information regarding PCI's Sustainable Procurement commitments, please visit our policy page here.

This document outlines our comprehensive supplier standards and expectations encompassing environmental and social responsibility. These standards may be incorporated into contracts between PCI and our suppliers. PCI adheres to these standards and expects all suppliers to do the same, extending this expectation to their sub-suppliers. Please note that suppliers are obligated to comply with all applicable laws, rules, and regulations, even if they are more stringent than PCI's standards. Our standards are subject to periodic revision, and suppliers are responsible for adhering to the most recent version, which is readily accessible on our website.

Scope

This policy applies to all suppliers, including providers of products and services, such as entities supplying raw materials, ingredients, packaging, labeling materials, equipment, instrumentation, services, technology, contract manufacturing, sales, agency, distribution, wholesaling, and logistics.

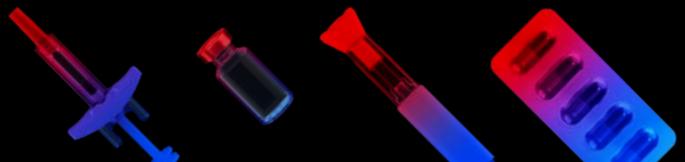
Partnering for Sustainability: ESG Reporting

EcoVadis

To fully understand and measure our overall sustainability performance, we collaborate with EcoVadis, a leading global sustainability rating company. We encourage our Supply Partners to register and undertake the EcoVadis sustainability assessment to gain valuable insights into your environmental, social, and ethical practices. This assessment will help us identify areas for improvement and foster a more sustainable supply chain. Your active participation in the EcoVadis sustainability assessment is integral to our joint mission of fostering a sustainable future. If you have not yet registered or completed this assessment, we urge you to take this important step. Additionally, we expect all our suppliers to strive towards achieving at least the EcoVadis Bronze Medal. This achievement not only reflects your commitment to sustainability but also aligns with our shared objectives for a greener and more responsible business environment.

ESG Supplier Questionnaire

We also request that you complete our ESG supplier questionnaire. This questionnaire focuses on the supplier's sustainability journey, notable initiatives, and collaboration opportunities. Your participation will help us assess risks and opportunities, address key challenges, and develop collaborative solutions to make a positive impact across the supply chain.



Environmental Responsibility

We believe that climate change, resource scarcity, and biodiversity loss are significant threats to our suppliers, customers, and society as a whole. Climate change is one of the biggest challenges of our time, and we are committed to working with partners who are equally focused on addressing it.

PCI is committed to achieving a Net-Zero emission supply chain by 2045. As part of this journey, we look to our suppliers as key partners in environmental stewardship. We expect our suppliers to actively engage in improving their environmental impact through focused decarbonization efforts. Additionally, by 2027, we anticipate all our suppliers will have established and published their own sustainability goals. This alignment in environmental objectives is crucial for us to collectively progress towards a more sustainable and responsible future.

Regulatory Compliance

Suppliers shall comply with all applicable environmental laws and regulations. They must obtain all required environmental permits, licenses, information registrations, and restrictions and follow their operational and reporting requirements.

Greenhouse Gas Emissions and Energy Efficiency

Suppliers must develop a plan to measure and reduce direct and indirect emissions across operations, transportation, and logistics. They should increase their renewable energy share on an annual basis by investing in renewable energy and energy efficiency measures.

Natural Resources and Biodiversity

Suppliers must understand and assess their impacts on local biodiversity and take steps to reduce and mitigate their impacts and dependencies wherever possible.

Responsible Sourcing of Minerals and Resources

Suppliers must avoid using conflict materials in products. They must document and disclose any use of conflict minerals from a country that has directly or indirectly financed or benefited armed groups. Additionally, suppliers should conduct due diligence on commodities like timber, paper & pulp, soy, palm oil, rubber, cocoa, beef, and leather to avoid sourcing from deforested areas. Wherever possible, suppliers should prioritize the use of recycled and sustainable materials.

Waste Management

Suppliers must implement a waste management plan that prioritizes recycling, reuse, and proper disposal. Wherever possible, they should prioritize the use of recycled and sustainable materials. Where feasible, suppliers should use sustainable materials and provide eco-labels or equivalent certifications for these materials.

Water Consumption

Suppliers located in a highly water-stressed area must develop and implement a water management plan to reduce water consumption, wastewater discharge, and enhance recycling. They should also set a goal to reduce water consumption every year and ensure a healthy and safe working environment by implementing water management strategies and minimizing water usage in operations.

Stakeholder Engagement

Suppliers must develop sustainability-focused strategies and engage stakeholders for effective implementation. They should create a sustainability committee with representatives from all levels of the organization, conduct regular surveys and focused group meetings to gather feedback from stakeholders, and publish a sustainability report annually to share progress with stakeholders.

Performance Monitoring and Continuous Improvement

Suppliers must systematically measure and manage their environmental performance, adopting environmentally conscious practices, resource conservation, and waste minimization. They should develop and implement a sustainability management system, set annual sustainability goals and targets, and track progress towards these goals and targets. Suppliers should also provide greenhouse gas emissions data upon request and collaborate on opportunities for carbon reduction. Additionally, we expect suppliers to track their progress through their own company ESG or sustainability reports and through EcoVadis.



Social Responsibility

We are committed to upholding human rights and ensuring ethical labor practices throughout our business operations and supply chains. We strictly prohibit child labor, forced labor, and human trafficking in any form. Suppliers are expected to adhere to our Global Labor & Human Rights Policy, which outlines our unwavering commitment to these principles.

Regulatory Compliance

Suppliers must provide a safe and healthy working environment that complies with all applicable national and international labor laws and regulations. They must also respect the human rights of local communities in their operational areas.

Bribery and Corruption

Suppliers are expected to conduct business ethically, avoiding any bribery or corruption. We encourage the implementation of a clear code of conduct, regularly communicated and reinforced through training. Additionally, having a transparent system for reporting and investigating suspected unethical activities is essential for maintaining our shared standards of integrity.

Fair Labor Practices

We expect our suppliers to commit to fair labor practices by respecting workers' rights to association and collective bargaining and treating all employees with dignity and fairness. Additionally, compliance with the Modern Slavery Act and our Global Labor & Human Rights Policy is essential, strictly prohibiting forced labor, human trafficking, and modern slavery in your operations and supply chains. We encourage proactive measures like due diligence and employee training to uphold these standards.

Internal Diversity and Non-Discrimination

Suppliers are encouraged to actively promote diversity and inclusion within their workforce and across their supply chains. Discrimination based on race, ethnicity, gender, sexual orientation, age, disability, or any other protected characteristic should be strictly prohibited. We urge suppliers to cultivate an inclusive, respectful, and equitable workplace culture. Providing diversity and inclusion training can greatly contribute to creating a welcoming and supportive environment for all employees.

Incident Management

For incident management, suppliers should have practical emergency plans and procedures for events like spills or releases, focusing on quick and effective response. Regular drills to test these plans are recommended to maintain preparedness.

Data Privacy and Security

Suppliers are required to maintain strong data privacy and security policies, ensuring the protection of personal data's confidentiality, integrity, and availability. Compliance with all relevant data privacy and security laws is mandatory. It's vital to implement measures for preventing and detecting data breaches and to have an effective response plan for any incidents. Maintaining transparency with stakeholders about your data privacy and security practices is also crucial.

Product Quality

Suppliers must have robust quality management systems to guarantee the quality and safety of their products. Measures to prevent product contamination and adulteration are essential. Compliance with all relevant product quality and safety regulations is a requirement. Additionally, suppliers should have a system for managing product complaints and be transparent with customers about their product quality and safety practices.

Supplier Diversity

We encourage suppliers to increase engagement with diverse suppliers, setting specific, measurable goals to enhance diverse representation in their supply chains. Fair and equitable opportunities should be provided to diverse suppliers to compete for business. Collaboration with these suppliers to develop innovative solutions is also highly valued.

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