

Supplier Sustainability Requirements

Orion is committed to high standards in sustainability thus regard ourselves entitled to expect the same from our Third Parties in the area of ethics, labour, health and safety and environment as prescribed in our Third Party Code of Conduct. Orion Supplier Sustainability Requirements sets a minimum set of requirements that Orion expects from its suppliers to ensure that our suppliers conform to our Third Party Code of Conduct and additional requirements for management systems, safe working practices, environmental, health and safety protection. In any case, where there is a conflict between Orion Supplier Sustainability Requirements and Orion Third Party Code of Conduct, the Third Party Code of Conduct will control.

We also require our suppliers to implement the principles of the Third Party Code of Conduct and Supplier Sustainability Requirements across their whole business involved in the manufacturing of goods and services for Orion.

MANAGEMENT SYSTEMS

To meet Orion's Supplier Sustainability Requirements preferred is to set a management system in place to enable systematic measuring and tracking of performance for ethics, labour, health and safety and environment. Supplier shall show continued effort to improve their performance with the expectations of this document.

The supplier shall have a documented OHS (occupational health & safety) management system satisfying the requirements of OHSAS 18001 / ISO 45001 standard or other similar internationally recognized standards. Similarly, the supplier shall have a documented environmental management system satisfying the requirements of ISO 14001 or other similar internationally recognized standards.

Company commitment

Supplier shall have environmental and health and safety policies that are approved by the top management.

Responsibilities defined and compliance ensured

Supplier shall have responsibilities defined and resources for ethics, labour, health and safety and environment to ensure ongoing compliance with applicable laws and regulations.

Risk management

Supplier shall have risk assessment and risk mitigation methodologies to assess and manage business, reputation and legal risks.

Training

Supplier shall ensure that workers are aware of policies (ethics, labour, health and safety, environment, emergency preparedness and response), procedures and they shall be trained accordingly.

Self assessments

Supplier shall perform self-assessments or internal audits to improve the effectiveness of its ethics, labour, health and safety and environment practices.

Corrective and preventive action, CAPA, process

Supplier shall have formal procedure to track corrective actions to address recommendations from incident investigations and audits/inspection findings to improve the effectiveness of ethics, labour, health and safety and environmental practices.

Documentations and records

Supplier shall maintain documentation for audit findings, worker complaints, documentation of training, working hours, injury and illness logs, worker benefits and pay information, inspections by regulatory agencies.

ETHICAL BUSINESS PRACTICES

Supplier shall have formal ethics policies or Code of Conduct that govern company and employee business practices.

Supplier shall have tools or processes to prevent corruption, facilitation payments and bribery. Supplier shall have practices to encourage employees to report concerns or illegal activities in the workplace without threat of reprisal, intimidation or harassment and ensure that concerns are formally investigated.

Supplier shall ensure that animals are treated respectfully and testing should be performed after applying of 3R (reduce, replace, refine) principles to reduce the number of tests.

Supplier shall ensure proper use of confidential information to ensure privacy of information concerning companies, individuals, workers, patients' rights.

LABOUR

Freely chosen labour

Supplier shall ensure that no forced, bonded or indentured, trafficked or non voluntary labour is employed. All workers must be provided with clear, written information about their employment conditions with respect to wages before they enter employment and as needed throughout their term of employment.

Child labour & young workers

Supplier shall ensure that no child labour takes place in their operation (ILO Convention #182). Supplier shall ensure that workers under age 18 are not involved in hazardous, strenuous or physically demanding work.

Non-discrimination

Supplier shall ensure that there is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, colour, age, gender, sexual orientation, ethnicity, disability, religion, political affiliation, union membership, marital status or any other discriminating factor.

Fair treatment

Supplier shall ensure workers, including temporary workers and contractors, are treated fairly and respectfully at the workplace.

Wages, Benefits and Working Hours

Supplier shall ensure that workers are not required to work more than the maximum daily/weekly/monthly hours set by local and national laws and regulations, or as set in the freely negotiated and legitimate collective agreement. Furthermore, a workweek must not exceed 60 hours a week (as required per ILO standard on maximum working time of 60 hours per week), including overtime, except in emergency or unusual situations.

Workers shall be allowed at least one day off, comprising at least twenty-four consecutive hours, within a seven day period.

Supplier shall keep reliable employee records in accordance with local and national laws or regulations the basis on which employees are paid.

Suppliers must ensure overtime is voluntary (except for legally defined situations of urgency or emergencies) and workers may not be penalized for refusing overtime work.

Supplier shall provide fair compensation for all employees that, at minimum, meets the legal minimum standards including payment for overtime work and legally mandated benefits.

Freedom of Association

Suppliers shall be able to choose whether to join labour unions, workers' councils, or other collective bargaining organizations.

HEALTH AND SAFETY

Workers at all levels are ensured to have a safe and healthy working environment.

Occupational safety

Supplier shall have a process in place to identify, assess and either eliminate, minimize or control all potential occupational health and safety hazards and risks associated with its operations.

Worker exposure to potential safety hazards are to be controlled by

- providing adequate health and safety information and ongoing safety training
- safe work procedures for example
 - o safe work permit system for hazardous working such as hot work, confined spaces, height
- machine safeguarding procedures
 - o production and other machinery shall be evaluated for potential safety hazards
 - o machinery shall be clearly marked with necessary safety symbols indicating different hazards in the machines
- practices to maintain equipment and machinery to ensure safe operation
- necessary procedures to manage hazards safely in order to prevent catastrophic events involving any hazardous substances for example
 - o adequate precautions to prevent ignition of flammable liquids, vapours, powders and gases, such as inerting, monitoring, grounding and anti-static working surfaces
- providing appropriate personal protective equipment (PPE) when needed
 - o personal protective equipment (PPE) shall be fit tested, cleaned, inspected, stored and maintained properly. PPE use shall be trained to relevant personnel.

Emergency Preparedness

Emergency situations and events are to be identified and assessed including response to occupational health and safety risks and their impact minimized by implementing emergency plans and response procedures

- appropriate fire detection and protection systems
- emergency exits and evacuation routes clearly marked, kept free of obstructions and illuminated with emergency backup power
- emergency response equipment inspected regularly
- emergency response plans in place and updated
- fire drills must be conducted as per legal requirement
- impact of neighbouring high-risk activities that may impact the site evaluated

Supplier shall ensure efficient training practices for ensuring the awareness and ability of relevant staff to control risks and take necessary preventive actions for:

- fire, explosion and security threats
- relevant natural hazards and
- exposure to physical, chemical and biological hazards

Occupational injury and illness

Procedures and systems are to be in place to prevent, manage, track and report occupational injury and illness.

- risk-based medical monitoring or employee health surveillance with recording, investigation and follow-up
- exposure monitoring when necessary, for example solvent vapours, noise levels, radiation, oxygen-deficiency
- occupational exposure levels established for all active pharmaceutical ingredients (APIs) and hazardous substances

- appropriate personal protective equipment (PPE) provided when needed

Potential physically demanding task related hazards is to be identified, evaluated and controlled. All employees must have access to first aid and emergency care.

Industrial Hygiene

Potential employee exposure to physical, chemical and biological hazards is to be identified, evaluated and controlled.

Food & Sanitation

All workers must have ready access to adequate sanitary facilities, safe potable water.

Housing

If living accommodation is provided, it is safe and clean, meets basic requirements such as fire protection, adequate heat and ventilation, emergency egress and reasonable personal space.

Safety Data Sheets

Safety Data Sheets maintained for hazardous substances and available to all employees in a language they understand.

ENVIRONMENT

Supplier shall operate in an environmentally responsible and efficient manner to minimize adverse impacts on the environment.

Environmental authorizations

All required environmental permits and licenses shall be obtained and their requirements followed.

Waste & waste water management

Wastewater and solid waste generated from operations, industrial processes and sanitation facilities are to be characterized, monitored, controlled and treated as legally required prior to discharge or disposal. The treatment, storage and disposal of hazardous waste are ensured to comply with all applicable laws, rules and regulations.

Supplier shall record information on how much waste (of all categories) is generated and what happens to it.

All wastes managed in such a way that neither API residues nor other substances pose risk to health or environment.

Wastewater management practices that ensure the waste waters discharged from facilities do not pose risk to environment and API concentrations are below PNEC (predicted no effect concentration).

API, pharmaceutical product and branded material are not diverted from appropriate waste treatment.

Air emissions

Air emissions generated from operations are to be monitored, controlled and treated as required by all applicable laws, permits and regulations prior to discharge.

Pollution prevention and resource reduction

Supplier shall identify and measure significant environmental aspects of the operations. Supplier shall work to reduce or eliminate waste and pollution of all types and to ensure sustainable use of resources.

Chemical Management

Supplier shall address health, safety and environmental risks arising from storing and handling hazardous substances and shall have an adequate spill containment system for hazardous materials.