

Grand Pharmaceutical Group Limited

Supplier Code of Conduct

Chapter I General Provisions

Article 1 Grand Pharmaceutical Group Limited (hereinafter referred to as “Grand Pharma”, the “Company”, “we” or “us”) are committed to high standards of business ethics. Accordingly, Grand Pharma expects to work with individuals and organisations that also adhere to high standards of business ethics and has formulated this policy to require Grand Pharma’s business partners to conduct their business in a manner that complies with all applicable laws and regulations of the countries and regions in which they are located, as well as with internationally-recognised environmental, social and corporate governance standards, including but not limited to those relating to business ethics, labour rights and employment compliance, and environment, health and safety, etc.

Article 2 This policy applies to suppliers and other business partners of Grand Pharma and its member companies.

Chapter II Human Rights and Labour Rights

Article 3 As a supplier to Grand Pharma and its member companies, you are expected to maintain a transparent, collaborative and equal working environment, including:

- (i) prohibiting the use of any form of forced labour, including but not limited to involuntary prison labour, slavery and victims of human trafficking.
- (ii) prohibiting the employment of child labour below the local legal age for labour.
- (iii) not discriminating against or harassing employees on the basis of race, colour, age, religion, gender, pregnancy status, disability, sexual orientation, etc.
- (iv) respecting the legitimate rights of your employees to freedom of association and collective bargaining.
- (v) adhering to applicable local laws and regulations regarding employee compensation, including minimum wage, overtime pay and statutory benefits. Employees’ working hours must not exceed the maximum hours permitted by applicable local laws and regulations.

Chapter III Occupational Health and Safety

Article 4 Suppliers shall comply with all applicable laws and regulations regarding occupational health and safety of employees.

Article 5 Suppliers shall provide their employees with a healthy, safe and environmentally friendly workplace, and the necessary facilities and equipment to ensure the health and safety of employees and visitors.

Article 6 Suppliers shall develop and maintain safety management processes and emergency response plans, provide employees with the necessary occupational health and safety training, and conduct regular emergency drills.

Article 7 On-site suppliers are required to comply with various occupational health and safety related management systems and regulations of Grand Pharma.

Chapter IV Environmental Protection

Article 8 Environmental Compliance: Suppliers shall comply with all applicable laws and regulations regarding the environmental protection.

Article 9 Waste Management: Suppliers shall have procedures in place to ensure safe handling, movement, storage, recycling, reuse of waste, wastewater discharges and air emissions. Suppliers are encouraged to implement effective measures to prevent and mitigate environmental pollution and protect biodiversity in their operational areas, such as improving processing technologies and using clean energy, to reduce or avoid the generation of air emissions, wastewater and hazardous waste as much as possible.

Article 10 Resource efficiency: Suppliers shall adopt efficient operation methods as far as possible to improve the efficiency of resource and energy usage and reduce greenhouse gas emissions, striving to reduce the environmental impact of their own business practices.

Chapter V Business Ethics

Article 11 Suppliers shall conduct their business in compliance with ethical standards, including:

- (i) strictly complying with applicable local laws and regulations regarding anti-corruption, prohibiting any form of corruption, embezzlement, bribery and other improper transfer of benefits.
- (ii) disclosing to Grand Pharma information regarding any potential conflict of interests as a supplier, including disclosing any economic benefits that may be enjoyed by Grand Pharma's employees in any business of the supplier.
- (iii) adhering to fair standards of business conduct, including providing accurate and truthful quotations and engaging in fair competition, prohibiting commercial fraud such as price fixing and bid rigging.
- (iv) protecting Grand Pharma's intellectual property rights, trade secrets and confidential information. Without authorisation from Grand Pharma, suppliers shall not share or distribute Grand Pharma's intellectual property rights, trade secrets, confidential information, or any other information in their possession or acquired about Grand Pharma's business.
- (v) complying with international trade regulations and export control regulations.

Chapter VI Inspection and Corrective Action

Article 12 Grand Pharma and its member companies has the right to audit the businesses and facilities of suppliers either on its own or by commissioning a third party upon reasonable notice. If the audit results of Grand Pharma and its member companies indicate that the supplier has failed to comply with this code, the supplier shall take the necessary corrective action in a timely manner as advised by Grand Pharma and its member companies. If the supplier fails to take corrective action or fails to meet the requirements of this code after taking such action, Grand Pharma and its member companies may take appropriate action, including but not limited to suspension or cancellation of your status as a supplier.

Chapter VII Reporting Channels

Article 13 The Company is committed to building a fair, just and transparent working environment and cooperative ecosystem, which encourages stakeholders, including the Group’s employees, suppliers and business partners, to report to us any malpractice in violation of this code.

Article 14 The Company has formulated the *Measures for the Management of Reports and Complaints of Grand Pharma* (《远大医药举报投诉管理办法》), and is committed to protecting whistleblowers in an anonymous manner and upholding a zero-tolerance attitude towards retaliation.

Article 15 Grand Pharma has established accessible supervision and reporting channels. Suppliers can report any violation of this code through the reporting channels.

- 1) Tel: 027-83565610
- 2) Email: ts@grandpharma.cn
- 3) Mailing address: Supervision and Audit Department of Grand Pharma (China) Limited, 27th Floor, K11 Office Building, No. 626 Jiefang Avenue, Qiaokou District, Wuhan City, Hubei Province(湖北省武汉市硚口区解放大道 626 号武汉 K11 办公楼 27 楼)

Chapter VIII Oversight

Article 16 The Company’s Strategy and ESG (Promotion) Committee is responsible for organising and directing the implementation of this code and ensuring its effectiveness. The Board of Directors of the Company shall oversee the implementation of the Supplier Code of Conduct.

Chapter IX Supplementary Provisions

Article 17 Any matters not mentioned in this code or in conflict with relevant laws, regulations and normative documents shall be executed in accordance with such relevant laws, regulations and normative documents.

Article 18 This code is formulated, revised and interpreted by the Company’s ESG

Working Group and shall take effect from the date of issuance.