

# **CENTRIENT'S APPROACH TO ETHICS & COMPLIANCE AND HUMAN RIGHTS**

**WHITE PAPER**



# INTRODUCTION

Centrient Pharmaceuticals' business practices are guided by our **Purpose** of "Improving lives by being at the centre of sustainable and accessible healthcare". Our actions are directed towards fulfilling this Purpose while motivated by our brand promise of **Quality, Reliability and Sustainability**. It is our commitment to our customers, suppliers, employees and communities, as well as the environment, that steers our decision-making processes and shapes our way of working.

## **Our Purpose**

To improve lives by being at the centre of sustainable and accessible healthcare

## **Our Promise**

Our commitment to Quality, Reliability and Sustainability is at the heart of everything we do

As a market leader in life-saving antibiotics, we foster a culture of transparency and professional ethics. We commit to be a reliable partner who conducts business according to high ethical standards. This requires us to evaluate, improve and expand our Ethics & Compliance and Human Rights programmes continuously.

The purpose of this White Paper is to demonstrate to all our stakeholders – employees, customers, suppliers, shareholders and society at large – that **we do our utmost best to be that reliable partner, now and in the future**. Also, we give insight on the recent initiatives we have taken to further strengthen the culture of integrity within our company.



# 1. OUR ETHICS & COMPLIANCE PROGRAMME

## CENTRIENT'S ETHICS & COMPLIANCE PROGRAMME CONSISTS OF:

- ROBUST GOVERNANCE FRAMEWORK WITH EXECUTIVE AND BOARD SUPPORT
- CENTRIENT CODE OF CONDUCT (renewed in 2020) for employees
- BUSINESS PARTNER CODE OF CONDUCT
- SPEAKUP POLICY AND MECHANISM
- UP-TO-DATE POLICIES AND PROCEDURES
- CONTINUOUS TRAINING AND AWARENESS PROGRAMS
- STANDARD PROCESSES FOR DUE DILIGENCE

### 1.1 How we govern Compliance

Centrient has a robust Compliance Governance Framework in place to manage our business responsibly. First of all, our Ethics & Compliance programme is strongly and visibly supported by the Centrient Executive Committee and Board, who oversee the implementation and effectiveness of the programme. In its turn, the Global Risk and Compliance department is responsible for the daily management of our Ethics & Compliance programme.

### 1.2 Doing the right thing: the Centrient Code of Conduct

Centrient launched its renewed Centrient Code of Conduct (CCoC) in 2020. This guide outlines our full commitment to doing the right thing and oversees key subjects like trade control compliance, competition law compliance, anti-bribery and corruption (ABC), data privacy compliance, human rights, information security and our Safety, Health and Environment (SHE) Policy.

All Centrient employees are obliged to know and follow the principles of the code. On an annual basis, they are required to confirm having read and understood their resulting responsibilities.

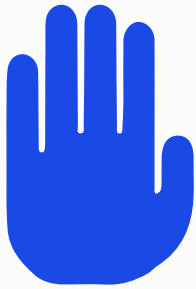
**97%** of employees have committed to the Centrient Code of Conduct

The COVID-19 pandemic brought additional challenges with many employees working from home. We therefore kicked off our 2021 acknowledgement cycle with an engaging video that re-emphasized that at Centrient we do the right thing. Until now in 2021, 97% of employees confirmed via our online training tool that they commit to the principles as set out in the code.

### 1.3 We ask our business partners to do the right thing too

In Q3 2021, we launched our updated Business Partner Code of Conduct. This guide emphasizes that we expect our business partners to have ethical standards equivalent to ours and also do the right thing.

### 1.4 How raising concerns of non-compliance is facilitated



At the end of 2020, we launched a new **SpeakUp Policy**. There are various ways for employees and third parties to raise their concerns.

In the same year, the SpeakUp grievance mechanism was also updated. We introduced Ethicspoint, a hotline tool hosted by third party provider Navex Global. With this tool Centrient employees and third parties can raise concerns about compliance with our Code of Conduct, also anonymized. We apply strict principles of non-retaliation, confidentiality, anonymity and privacy during investigations of the SpeakUp complaints.

**In 2021 we have received over 15 SpeakUp complaints**

Thanks to the launch of the new SpeakUp policy and continuous communication about the SpeakUp mechanism within Centrient, we have seen a huge uptick in the number of SpeakUp complaints in 2021. So far this year we received over 15 SpeakUp complaints from all regions where we are active. Until now the investigated SpeakUp complaints resulted in five confirmed CCoC breaches and a total of four dismissals and/or disciplinary actions. Some investigations are still pending.

### 1.5 Ensuring up-to-date policies and procedures

At Centrient we continuously update our Compliance policies and procedures.

We are in the process of updating the Global ABC Compliance Policy and Manual. These documents will reflect the recently introduced **Centrient Conflicts of Interest Policy** and accompanying **Conflicts of Interest Register**, and the **Gifts and Hospitality Register** that was introduced in 2020.

In 2021, we also adopted and rolled out a number of **new Information Security policies** and rules. This is part of Centrient's overall aim to further strengthen employees' awareness.

Employees receive **Compliance Guidelines**, which are short do's and don'ts on recurring topics to give them further guidance where needed. We also regularly publish informative communications to our employees to keep them abreast of relevant developments in the compliance field.

### 1.6 Continuous training

Continuous training is a key component of Centrient's compliance programme. We provide dedicated, mandatory training on various compliance-related topics such as anti-bribery and corruption (ABC). In these training programmes we re-emphasize the compliance rules to reduce any potential risk to our Centrient business, people and society.

Early 2021, we launched a short video on ABC and requested all relevant employees to sign the annual declaration to confirm that they had not participated in any actions constituting a violation

of any anti-bribery and corruption law in 2020. In the middle of 2021 we launched a more in-depth ABC online training with a knowledge test that was completed by about 90% of employees who received the invite for the training.

About **90%** of invited employees completed the anti-bribery and corruption training in 2021

In 2021 we also provided an e-learning on competition law rules to our relevant employees. By means of this detailed training with a knowledge test, all our relevant employees were requested to reconfirm competition law compliance. Again, completion rate was high.

Centrient has implemented an intensified security awareness program which offers regular computer-based trainings, accompanying news blogs with tips and tricks on IT security and regular tests (e.g. simulated phishing emails) to all Centrient employees. At the end of 2020, the security awareness training completion rate at Centrient was 83% and according to current figures, we will even finish higher at the end of 2021.

**83%** of our employees completed the security awareness training

In addition to **e-learning**s, we regularly train our employees in a **classroom setting** or via **webinars**. In 2021 Centrient employees have been trained in small groups on numerous topics like the CCoC, SpeakUp, Conflicts of Interest, ABC, competition law and information security.

## 1.7 Due diligence

At Centrient we have standard processes in place to conduct due diligence screenings on Centrient business partners. We follow our strict rules and procedures with all trade controls applicable to our business.



## 2. OUR HUMAN RIGHTS PROGRAMME

As an EcoVadis Gold-rated organisation, Centrient is committed to ensuring the highest standards of employee experience facilitated by best-in class people processes. We support and respect the rights of individuals and adhere to the employment laws in the countries where we operate. We adhere to internationally recognised human rights as outlined in the United Nations Universal Declaration of Human Rights and the core conventions of the International Labour Organisation.



All our people policies are built on the framework of the [Pharmaceutical Supply Chain Initiatives \(PSCI\) labour principles](#).

### CENTRIENT'S HUMAN RIGHTS PROGRAMME CONSISTS OF:

- HUMAN RIGHTS COMMITTEE AND WORKING GROUP
- CENTRIENT CODE OF CONDUCT
- HUMAN RIGHTS POSITION (new in 2021)
- REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS AND ACCESS TO TRAININGS
- BENEFIT PROGRAMS ON DIVERSITY, EQUITY AND INCLUSION
- VIOLATION REPORTING

### 2.1 How we govern human rights

In 2021 we have set up a Human Rights Committee which oversees human rights compliance within Centrient. It provides support to the cross-functional Human Rights Working Group that has the responsibility for the implementation of our approach to human rights.

Centrient's management is committed to uphold the Centrient human rights principles. We conduct regular engagement surveys covering specific questions on our human rights principles, to directly seek feedback from our people on our standards of upkeep with these principles.

### 2.2 Our position on human rights

**At Centrient we are committed to promoting human rights standards throughout our business operations and have a zero tolerance policy towards any violation**



All Centrient employees are obliged to know and follow the principles of the Centrient Code of Conduct, among which our clearly defined high standards on human rights. We ensure that all our employees on a yearly basis commit to the recognition of people's fundamental rights. We also expect our business partners to commit to the same high standards on human rights.

To further advance our strong commitment towards human rights compliance we have adopted the Centrient Human Rights Position in 2021.

## 2.3 Human rights compliance

In line with our human rights position, we continuously ensure a conducive work environment for all our employees, that takes care of their professional and personal wellbeing. All our wages, benefits and working conditions are fully compliant with the laws of the relevant country. We have a robust performance management process as a part of which career goals and aspirations are discussed with employees. About 90% of our employees receive regular performance and career development reviews. All our employees (100%) have equal access to opportunities of development and career- or skills-related training.

**90%** of employees get regular performance and career development reviews

**100%** of employees have equal access to development and training opportunities

All our employees receive training on preventing discrimination and human rights violations as a part of the Centrient Code of Conduct training. We are an equal opportunity employer and treat all our employees fair and with respect, and on an equal and inclusive basis. In 2020, about 20% of our employees were women and constituted about 27% of our senior management and leadership positions.

We have a strong focus on diversity, equity and inclusion. We strive to have a diverse mix of employees with regards to nationalities, ethnicities and gender across all levels of the organization. Our people policies and practices are designed to be fully inclusive: for example we offer a minimum of 12 weeks of parental leave to our employees of all genders. We also strive for a diverse representation of all groups in our learning and growth opportunities, including a leadership mentoring program for our women leaders.

## 2.4 Human rights incidents

No incidents of human rights violation were reported in Centrient Pharmaceuticals in 2020 and in 2021 so far.

**0** human rights incidents reported in 2021