



ALKALOID AD Skopje
SUPPLIER

CODE

OF CONDUCT



ALKALOID
SKOPJE

Health above all

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OF CONDUCT



ALKALOID
SKOPJE

CONTENT

ADDRESS OF THE CEO / MB PRESIDENT OF ALKALOID AD SKOPJE	8
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ETHICS

BUSINESS INTEGRITY	9
ANIMAL WELL-BEING	10
CONFLICT OF INTEREST	11
DATA AND KNOW-HOW CONFIDENTIALITY	12
PERSONAL DATA PROTECTION	13

WORKING CONDITIONS AND HUMAN RIGHTS

PROHIBITION OF DISCRIMINATION, FAIR TREATMENT	14
MISUSE OF CHILD LABOR	15
WORKING HOURS, CONTRIBUTIONS AND BENEFITS	16
RIGHT OF ASSOCIATION	16
FREE CHOICE OF EMPLOYMENT	17
PRIVATE SECURITY FOR PROPERTY AND INDIVIDUALS	17
SAFETY AND HEALTH	18
OCCUPATIONAL SAFETY AND HEALTH	19
PROCESS SAFETY	20
PRODUCT SAFETY	20
EMERGENCY PREPAREDNESS	21

ENVIRONMENT	22
ENVIRONMENTAL AUTHORIZATIONS	23
WASTE AND EMISSIONS	23
SPILLS AND DISCHARGES	24
ENVIRONMENTAL GOALS AND TARGETS	24
MANAGEMENT SYSTEMS	
LEGAL COMPLIANCE	25
TRANSPARENCY.....	25
REPORTING VIOLATIONS	26
RISK MANAGEMENT AND BUSINESS CONTINUITY	27
QUALITY	28
SYSTEM, DOCUMENTATION AND EVALUATION	28
FINAL PROVISIONS	29

Address of the CEO /
MB President of ALKALOID AD Skopje

Dear suppliers and collaborators,

As one of the leading pharmaceutical companies in Southeast Europe, driven by its strong values and building upon the dedication of numerous generations of its workers, ALKALOID places paramount importance on social responsibility, sustainability, and sustainable development within its operations. These values are firmly rooted in our business strategy and corporate culture.

Your dedication, product quality, and professionalism have been vital to our business success throughout our nearly nine-decade corporate history and within our ethical business practices. As a key component of our supply chain, you have played an indispensable role. Over the years, we have collaborated to surmount challenges, finding ways to emerge from difficult circumstances, unscathed and stronger. Side by side, we have grown and will continue to thrive together in this industry and the broader business landscape.

The fundamental values we share and the common thread that connects us is our unwavering dedication to the well-being of our workforce, making a positive impact on our community, and protecting the environment in which we conduct our business. These tenets are the foundation of ALKALOID's business policy and our top priority.

Going forward, our main aspiration will continue to be to serve as a model corporate leader that is deeply dedicated to promoting and safeguarding a healthy and safe environment. We are resolved to make a significant contribution towards creating a more sustainable world in which our future generations can thrive both personally and professionally.

Zhivko Mukaetov
Chief Executive Officer /
MB President of ALKALOID AD Skopje



INTRODUCTION

Our goal at ALKALOID AD Skopje (hereinafter: ALKALOID or we) is to consistently be our suppliers and buyers' preferred choice when it comes to a loyal business partner. We aspire to be a fair contributor to a transparent, open and responsible supply chain in the business community. Therefore, we are strongly committed to upholding environmental, social and corporate management standards aligning our daily operations with the commitments and principles outlined in the UN Global Compact and the UN Guiding Principles on Business and Human Rights.

To establish trust and showcase our unwavering dedication to sustainable development within our supply chain, we invite all our active suppliers and their representatives, as well as any prospective collaborators, to unequivocally agree to and align all their business activities with the subjects and principles outlined in this Supplier Code of Conduct (hereinafter: the Code).

We expect all our business partners to take the necessary steps and create conditions for implementation or compliance with the principles found in this Code, which will thus become part of the daily practice, both for all their employees and for all their associates and partners.





BUSINESS INTEGRITY

Any form of corruption, extortion and embezzlement is prohibited. Our suppliers must not give or receive (directly or indirectly) bribes or participate in any prohibited relations with representatives of the business community or government authorities. Our suppliers must fully comply with all applicable regulations prohibiting bribery and corrupt payment practices, including any transfer of value, and must also comply with the US Foreign Corrupt Practices Act, the UK Bribery Act and other international regulations.

Suppliers who, in accordance with their activity, interact with health professionals and health authorities, are additionally obliged to comply with ALKALOID's policies that regulate pharmaceutical compliance. Suppliers must coordinate and consult with their ALKALOID contacts to ensure compliance and to operate in alignment with the principles laid out in these policies.

All suppliers are required to conduct their business activities in accordance with the applicable regulations for competition protection.

Suppliers are required to apply fair business practices, including transparent, fair and ethical promotion and advertising.

Suppliers must not use the name and trademarks of ALKALOID AD Skopje and its related companies, or their products, in public or in advertising, without prior consent of ALKALOID.



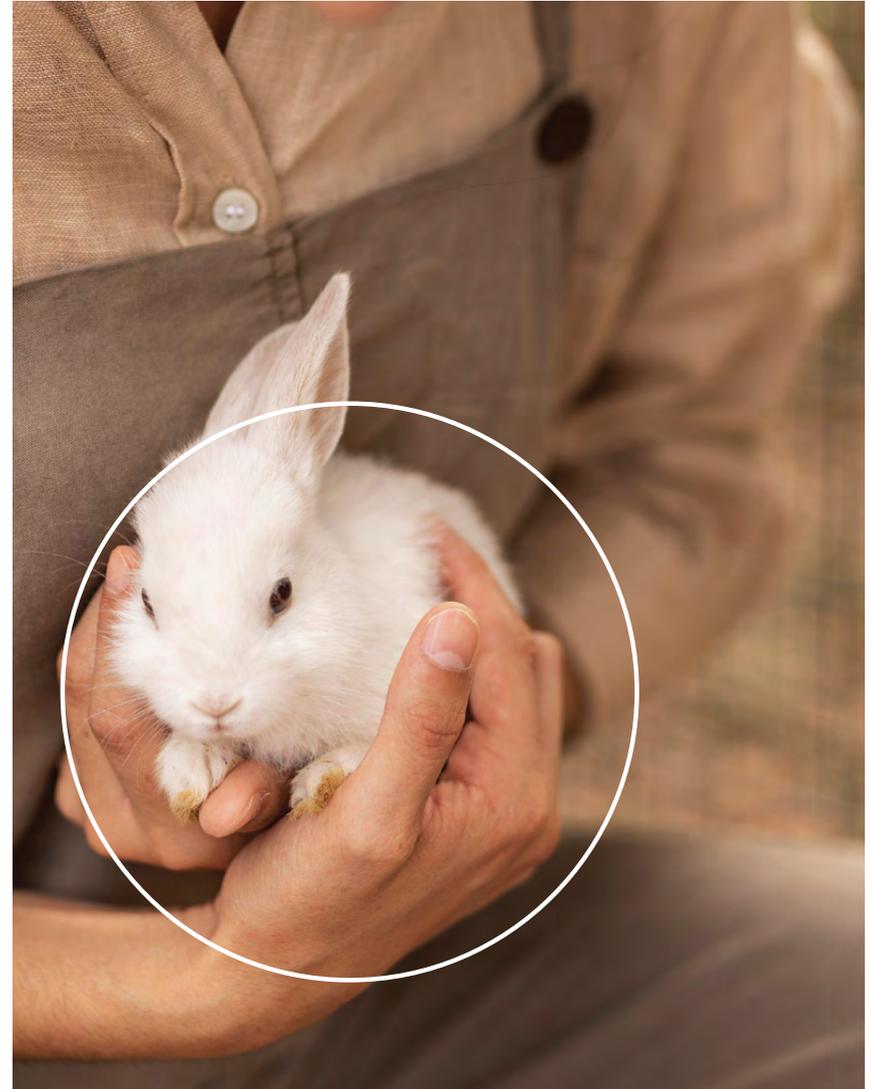


ANIMAL WELL-BEING

As a pharmaceutical, chemical, cosmetics industry, ALKALOID does not conduct animal testing.

Suppliers who conduct animal testing or use third parties who conduct such studies must do so in compliance with all applicable national laws, regulatory requirements and high ethical standards that ensure the humane treatment and care for animals.

In addition, ALKALOID suppliers must immediately inform ALKALOID of the fact that they or third parties within their supply chain carry out animal testing, that is, to regularly update ALKALOID with this information.





CONFLICT OF INTEREST

Suppliers are required to immediately notify ALKALOID of any potential or actual conflict of interest that may affect their business cooperation with ALKALOID.

A conflict of interest can arise in numerous situations, including but not limited to the following examples:

- A supplier employee or representative has certain private interests that may affect the supplier's ability to act in the best objective interest of ALKALOID.
- An ALKALOID employee or a person professionally engaged by ALKALOID may have an interest of any kind in the supplier's business activities, or in dealings with its employees or representatives
- A supplier has business relations with third parties that are ALKALOID's competitors, or whose interests conflict with those of ALKALOID. Such supplier business relations may affect the supplier's ability to act in the best objective interest of ALKALOID.





DATA AND KNOW-HOW CONFIDENTIALITY

We expect our suppliers to have established advanced mechanisms and practices for the protection and proper use of confidential information, both their own and that of third parties, which they have available within their operations.

When collaborating with ALKALOID, suppliers must uphold the highest level of confidentiality to ALKALOID's confidential information and know-how, as well as to the confidential information of third parties with whom ALKALOID has confidentiality agreements, and which the supplier is authorized to use.

Secrecy and confidentiality of data and know-how means that unauthorized third parties are prohibited from accessing, having available or using this information, whether through negligence or deliberate actions, for their own benefit or the benefit of others.





PERSONAL DATA PROTECTION

Our commitment to protecting personal data adheres to the European legislation, in particular the EU General Data Protection Regulation (GDPR). ALKALOID allows access to suppliers' personal data exclusively for purposes specified in a formal agreement with them or if it is necessary for the legitimate interests of the parties. It is imperative that suppliers effectively manage and protect their information systems where ALKALOID's personal data and other confidential information is stored or processed. Our suppliers are expected to ensure that when processing data they comply with the regulations, including lawful processing, access control, observance of entities' rights, as well as provision of technical and organizational measures to protect against unlawful disclosure, alteration and destruction. In the event of incidents, it is essential to have a system in place for quick notification, as well as mitigation and prevention measures against further privacy violations. The commitment to data protection shall be an integral part of our partnership, ensuring trust, security and high standards for our clients.





PROHIBITION OF DISCRIMINATION, FAIR TREATMENT

All ALKALOID suppliers must provide equal treatment for all their employees and provide conditions and equal opportunities for all, without any kind of discrimination, unfair competition or physical and psychological violence and abuse. Any kind of discrimination against employees on the basis of gender, race, age, nationality, social status, sexual orientation or affiliation and support for certain groups and religions that are not against the law or illegal is prohibited. We expect to create an inclusive and motivating work environment together.





MISUSE OF CHILD LABOR

Misuse of child labor and economic exploitation of young people is prohibited.

ALKALOID suppliers must not allow misuse of child labor within their business operations and among their suppliers. Our suppliers, in principle, should avoid the legally permitted use of child labor, but if under certain circumstances, in accordance with the applicable regulations, they hire a person between the ages of 15 and 18, they must guarantee that that person will be assigned to work tasks that do not adversely affect their health, safety, psychophysical and moral integrity, as well as the prospects for their future education and development.





WORKING HOURS, CONTRIBUTIONS AND BENEFITS

We expect managers at all levels in ALKALOID's partner companies to respect the right of employees to rest and the right to an appropriate balance between the time spent at work and the time needed for the employee's private life.

Employees must not perform work tasks beyond the legally prescribed maximum working hours. Should overtime work be necessary, it must be harmonized with both international and national laws and collective agreements.

Suppliers and their managers at all levels should clearly communicate the terms of employment and the salary-based contributions to their employees. Employee salary-based contributions and benefits must be paid regularly, timely and transparently, in line with the international and national applicable laws and collective agreements.

RIGHT OF ASSOCIATION

We expect our suppliers to establish open and constructive relations with their employees, fostering an environment that encourages creativity and collaboration. This environment should serve as a source of motivation for addressing daily challenges and finding solutions.

Suppliers must also uphold their employees' legal rights to join labor or other organizations and unions of their choice, based on their decisions reached entirely on their own free will, without any fear of retaliation or discrimination.





FREE CHOICE OF EMPLOYMENT

Suppliers must guarantee their employees the right to free choice of employment and freedom of choice and movement, and especially the right to leave the workplace freely, under the conditions and procedures stipulated by the applicable laws.

PRIVATE SECURITY

In cases when suppliers utilize private security services for the protection of property and individuals, they are obligated to provide adequate instructions or controls to protect employees against any violation of their human rights and freedoms, excessive use of force, inhumane or degrading treatment, and other similar actions by security personnel.





SAFETY AND HEALTH

At ALKALOID, we are committed to maintaining the highest standards of occupational safety and health within the overall company processes. To this end, we expect suppliers to fully comply with the applicable laws, but also to adhere to all principles of international occupational safety and health standards. We encourage our suppliers to implement a plan and measures to identify, assess and manage risks, to ensure a safe and healthy working environment for their employees and to prevent accidents at work and work-related illnesses.





OCCUPATIONAL SAFETY AND HEALTH

Suppliers must protect their employees from excessive exposure to ergonomic, chemical, biological and physical hazards, as well as from demanding physical tasks in the workplace.

Furthermore, in order to prevent accidents at work and work-related illnesses, they must establish appropriate safety measures using the hierarchy of controls, and provide information about those measures, dangers and risks in a manner that is easy to understand for everyone involved in the work process.

Suppliers are required to effectively organize their operation concerning working hours and provide adequate breaks to prevent employees from experiencing excessive physical and mental fatigue.

Adequate lighting, temperature, ventilation, air conditioning and drinking water must be provided in the working and auxiliary rooms.





PROCESS SAFETY

Suppliers are required to set up a program aimed at preventing or minimizing the impacts of identified risks and hazards inherent in their operations. This program's purpose will be to prevent the occurrence of incidents, accidents, fires, and explosions.

Suppliers must provide information on hazardous substances used in work processes, through the respective safety data sheets (SDS).

They are required to investigate and analyze all significant (or major) incidents, and then communicate the causes and measures to all stakeholders.

PRODUCT SAFETY

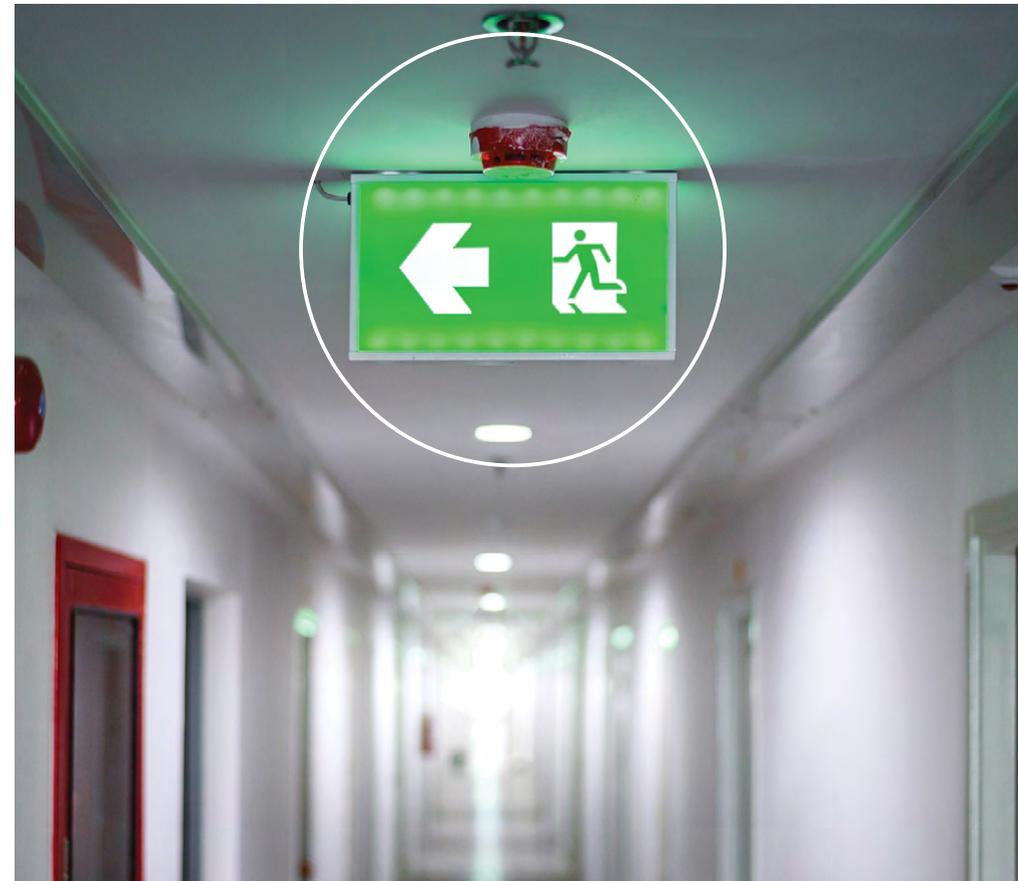
Suppliers are required to comply with the relevant product safety regulations and provide all necessary documents and instructions for safe handling. These product documents must provide all relevant safety information including details about product usage, exposure scenarios, registration notifications and confirmations, certificates, safety data sheets, and information about health hazards. This necessitates proactive and transparent sharing of information regarding quality, occupational safety and health and environmental protection aspects with all relevant parties.





EMERGENCY PREPAREDNESS

Suppliers are required to identify workplace emergency situations and minimize their impact by developing and implementing emergency scenario plans, providing first response equipment and resources, and conducting periodic employee emergency evacuation drills.





Environmental protection is one of the major priorities in ALKALOID's business strategy. Our strategic and sustainable commitment is to create value for people and the community in order to ensure a better and healthier environment which we all share.

ALKALOID suppliers are required to operate in an environmentally responsible and sustainable manner to reduce and minimize negative environmental impacts and should engage in reuse and recycling initiatives. Our suppliers are expected to make efforts to raise employee awareness of their environmental impact and to promote and cultivate the same awareness among all their suppliers and associates.

We encourage our suppliers to use natural resources in a sustainable manner, conserve energy and promote the use of renewable energy sources wherever possible and feasible.

We encourage ALKALOID suppliers to establish risk-based policies regarding the impacts of climate change as well as plans to address the negative effects of global warming.

We also expect our suppliers to take appropriate measures to ensure safe handling, movement and storage and to prevent the use of hazardous materials and products wherever possible.





ENVIRONMENTAL AUTHORIZATIONS

Suppliers must comply with all applicable environmental laws. They are required to have obtained the necessary environmental permits, licenses, information registrations and limitations, as well as to observe their operational and reporting requirements.

WASTE AND EMISSIONS

Suppliers are required to have management systems and practices in place to ensure environmental and community protection, including proper accountability for their own activities. All emissions, waste and wastewater with a potential negative impact on the environment must be properly monitored, controlled and treated before being released into the environment.





SPILLS AND DISCHARGES

Suppliers are required to have procedures in place to prevent and manage incidents, spills and discharges of hazardous materials into the environment.

Suppliers must report to us any significant environmental incidents that might affect their cooperation with ALKALOID.

ENVIRONMENTAL GOALS AND TARGETS

We encourage our suppliers to set environmental goals and targets (in line with the Sustainable Development Goals (SDGs) of the United Nations) and accordingly monitor their air emissions, wastewater and waste generation impacts, use of electricity and water, as well as their greenhouse gas (GHG) emissions.





LEGAL COMPLIANCE

Suppliers are required to regularly identify and comply with the applicable laws as well as international and national regulations and standards.

They must regularly provide and update all necessary decisions, permits and certificates necessary for the performance of their activity.

TRANSPARENCY

We expect our suppliers to be fully transparent about their business activities with us, the relevant government and regulatory authorities and the business community at large.

Suppliers are expected to understand and accept that ALKALOID will carry out regular and periodic inspections and controls (due diligence activities) regarding their compliance with this Code and agree to actively cooperate in that process, by sharing accurate, clear, precise and comprehensible information, in the manner and format as requested.





REPORTING VIOLATIONS

Suppliers must have an established system and mechanism for reporting violations of the principles outlined in this Code within their organization. Supplier employees and associates are encouraged to report any real and potential violation, within the established communication channels, under investigation by persons authorized by the supplier in an objective and independent procedure, and to take appropriate preventive measures and sanctions regarding the offenders. Suppliers must guarantee that individuals reporting violations will not face adverse consequences or harm to their personal and professional reputation as a consequence of reporting the violation.

Any supplier employee can report a violation of the principles outlined in this Code, whether it involves an employee or a manager at ALKALOID, using the AlkaSpeakUp platform, at the following link <https://speakup.alkaloid.com.mk/en>





RISK MANAGEMENT AND BUSINESS CONTINUITY

Suppliers are required to establish and maintain a risk management system in order to identify, manage and control risks in all areas covered by this Supplier Code of Conduct.

Suppliers are required to develop business continuity, disaster recovery and risk management plans to ensure business continuity.

Suppliers must report significant incidents affecting ALKALOID, irrespective of their material value.





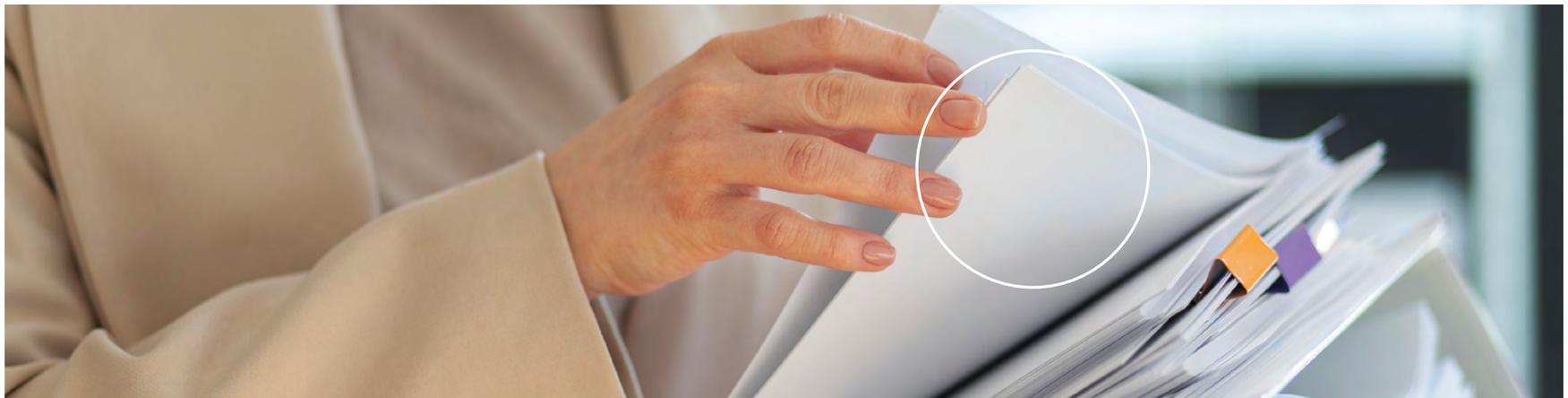
QUALITY

Suppliers must provide conditions whereby all products and services supplied to ALKALOID comply with relevant industry standards as well as contractual quality requirements. We expect them to promptly and accurately report on all important issues that have a negative impact on the delivered products and services.

Suppliers are required to inform ALKALOID of any significant changes to the production process or the delivery process, which have the potential to affect the quality of the products and services.

SYSTEM, DOCUMENTATION AND EVALUATION

Suppliers must establish appropriate processes and controls in relation to the content of this Code, which will be designed to identify non-compliances and implement corrective measures. In that manner, conditions for continuous improvement and sustainable development will be created.





FINAL PROVISIONS

A LKALOID reserves the right to request suppliers of goods and services to confirm their alignment and compliance with this Code, periodically and as necessary. The company also reserves the right to terminate existing contracts and any other type of business cooperation in the event of established deviations from this Code.

Suppliers confirm their commitment to compliance with the principles outlined in this Code by filling-out and signing the Confirmation and Acceptance Form for the ALKALOID AD Skopje Supplier Code of Conduct, attached to the Code.

Suppliers establishing cooperation with ALKALOID for the first time are obliged, together with the exchange of official copies of the cooperation agreement or the first shared commercial document in connection with the established cooperation, to submit to ALKALOID a Form signed by an authorized representative at the supplier.

Suppliers that have already established cooperation with ALKALOID are obliged, within a reasonable period of time after learning about the adoption of this Code by ALKALOID, and no later than within thirty (30) days of receiving a request from an ALKALOID representative, to submit a Form signed by an authorized representative at the supplier.

This Code may be subject to amendments and supplements, according to future legal or company needs.

The ALKALOID AD Skopje Supplier Code of Conduct shall enter into force with its adoption by the Management Board.

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