



Supplier Code Of Conduct

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NEPHRON AT A GLANCE

At Nephron, our 700,000+ Sq. Foot, state of the art sterile and aseptic facilities are synonymous with quality and efficiency. For over 25 years, we've blazed a trail in pharmaceuticals manufacturing, rapidly expanding to become a celebrated world leader in generic medication production, contract manufacturing, 503B outsourcing and much more. We are proud to be a woman-owned business that leads the world in the manufacturing of generic medications. The FDA approved our first generic drug in 1997, and since then we've been committed to bringing safe, effective, and affordable products to patients in need.

Our Mission:

Our mission to improve patient outcomes has fueled our commitment to innovation, quality, and service.

Our Core Values:

- **Quality:** We've been leading the industry in safety and quality since our beginnings. Just a few years after we introduced our first drug, we led the market in safety practices related to wrapping and barcoding medications. Now, this approach is standard practice at U.S. hospitals. Today, we're proud to use completely automated manufacturing, packaging, and distributing systems to minimize contamination.
- **Service:** Our people are the key to our success. We are proud to have the top minds in the industry who are committed to serving health professionals and patients. We understand our responsibility to serve extends outside our facility, and even beyond the patient bedside, which is why we also prioritize giving back to our community and the next generation of innovators.
- **Innovation:** We've invested in a state-of-the-art facility and industry-leading technology to expand our capacity to help patients. We've opened an outsourcing division to help healthcare facilities that need 503B compounded drugs, often during drug shortages. Our new facility also equips us to develop and bring new ophthalmic and injectable medications to market.



STANDARDS OF BUSINESS CONDUCT

Nephron upholds an unwavering commitment to integrity in all its business operations. Our employees are expected to maintain transparency and honesty in their dealings, adhering to the highest ethical standards. Furthermore, Nephron is dedicated to conducting its affairs in strict accordance with relevant laws, and we extend this expectation of commitment to our suppliers. We maintain an uncompromising stance on integrity in our interactions with customers, competitors, suppliers, and employees, recognizing that anything less is unacceptable.

- We rigorously comply with all applicable laws in the countries where we manufacture or sell our products. This includes regulations related to equal employment opportunity, affirmative action, supplier diversity, environmental sustainability, safety, and other national policies.
- Nephron maintains a zero-tolerance policy for any actions or suggestions of reciprocity, both from within the company and our suppliers.
- To prevent conflicts of interest, we take care to avoid situations where an employee or a family member holds a financial interest in, exercises control over, or influences a Nephron supplier, customer, reseller, or competitor.

- The use of Nephron's name or trademarks by any other entity, implying an affiliation or endorsement by Nephron, necessitates the acquisition of a proper written license from Nephron.
- Nephron firmly believes in fostering a robust marketplace marked by free, fair, and open competition. We conduct our business dealings equitably with our customers, suppliers, resellers, and competitors, offering our products based on their quality and merits.
- Nephron maintains a strict stance against any form of bribery, whether in interactions with government officials or representatives of non-governmental commercial organizations.
- In all our business endeavors, Nephron upholds the principles of integrity and ensures that sound business judgments are made free from any undue influence that might compromise our decision-making process.
- Nephron is subject to the legal requirements of multiple countries concerning anti-bribery and improper payments, including the U.S. Foreign Corrupt Practices Act (FCPA) and the U.K. Bribery Act, both of which have a global reach and worldwide implications.
- Nephron is committed to maintaining a workplace free from harassment, which extends to our suppliers, customers, and anyone engaged in business with us. This commitment applies in both work-related settings and work-sponsored activities or events.
- Nephron maintains a zero-tolerance policy for actions that pose, or have the potential to pose, a threat to the safety of our employees, suppliers, or any other individuals within our workplace.



SUPPLY CHAIN AT A GLANCE

NEPHRON SUPPLIERS

Nephron's supply chain teams are entrusted with the responsibility of delivering sourcing and procurement services that maximize value while adhering to legal, accountable, auditable, ethical, and cost-effective principles. These services also prioritize superior quality, full compliance with regulatory requirements, and alignment with ISO standards, in addition to environmental and social responsibility.

Nephron is committed to making procurement decisions that are free from any appearance of personal favoritism or influences unrelated to Nephron's best interests. Our decisions will be guided by an evaluation of a supplier's technological capabilities, quality, responsiveness, and delivery proficiency, alongside cost considerations. Furthermore, the supplier's financial stability, environmental practices, responsible sourcing, diversity commitment, and track record will be integral in the decision-making process.

In the United States, we actively seek qualified small and diverse suppliers, which may include minority-owned, veteran-owned, women-owned, disadvantaged businesses, and LGBTQ+ suppliers, among others, as defined in Nephron's Supplier Diversity Program.

The connection between Nephron and its suppliers holds significant strategic value. Our approach to working with suppliers is grounded in common sense, sound judgment, and the highest ethical standards. Nephron sets a firm expectation for suppliers to uphold unwavering integrity and adhere to all applicable global and regional laws, as well as Nephron's internal policies and programs that align with these standards. Collaboratively, we can build strong partnerships and collectively meet compliance obligations.

- The following pages contain details about our supplier criteria and anticipated performance in key areas that align with various global regulations and social responsibilities. We require our suppliers to conform to these stipulated criteria and expectations.

SUPPLIER REQUIREMENTS



Quality

- Nephron is dedicated to delivering products that are of the highest quality, safety, and reliability. To achieve this, we take proactive measures to consistently meet or surpass the standards outlined in our Quality Policy and relevant global manufacturing quality standards. We understand that our customers rely not only on our cutting-edge technologies but also on the exceptional quality that underlies all our products, services, and support. This is why we employ our Quality Management System (QMS), a series of processes that ensures our products and services meet the level and quality that our customers anticipate. One of our commitments to upholding quality standards is the establishment of quality requirements for our suppliers, partners, and contractors. We hold them accountable to adhere to these standards.
- Suppliers shall have a documented quality management system in place that is aligned to ISO 9001 or similar standard



Environmental & Sustainability

- Nephron is dedicated to conducting its business in an environmentally conscientious way. We are resolute in our commitment to comply with all relevant laws, regulations, and policies that pertain to environmental protection, energy conservation, and the responsible use of natural resources. Our goal is to reduce the environmental footprint of our global operations. This commitment aligns seamlessly with our corporate goals, our Environmental, Health, and Safety Policy, and is integral to our ongoing business success.
- We proactively communicate our environmental expectations to suppliers and contractors, urging them to align their practices with our environmental standards. Additionally, we require our suppliers to adhere to all pertinent local environmental laws and regulations.



Health & Safety

- Nephron is dedicated to offering a workplace that prioritizes the well-being and safety of our employees, ensuring that they can perform their duties without injury or illness while also upholding responsible environmental practices. We actively communicate our health and safety principles to suppliers and contractors, urging them to align their practices with our expectations. Additionally, we mandate that our suppliers adhere to all pertinent health and safety laws and regulations.

SUPPLIER REQUIREMENTS

Continued

Human Rights & Employment Practices

- Nephron's fundamental values and corporate culture demonstrate a steadfast dedication to ethical business conduct and responsible corporate citizenship. As an organization, we recognize and honor the core principles outlined in the Universal Declaration of Human Rights, and our policies and actions underscore our commitment to advancing human rights within our sphere of influence.
- We are resolute in our commitment to upholding human rights throughout our global supply chain, and we will not engage in business with individuals or entities that are knowingly involved in forced labor, human trafficking, child exploitation (including child labor), or physical abuse.
- Our suppliers are expected to adhere to all applicable labor laws, regulations, and rules, including but not limited to those prohibiting slavery, child labor, or human trafficking.
- We expect suppliers to maintain human rights policies, procedures, or practices that align with or surpass legal requirements.

Non-Discrimination & Equal Opportunity

- Nephron upholds a policy that extends equal employment opportunities to all individuals, irrespective of their race, color, religion, gender, national or ethnic background, sexual orientation, veteran status (including disabled veterans and veterans of the Vietnam era), and age, taking into account their qualifications and abilities. Our commitment to diversity and inclusion is unwavering, and we encourage our suppliers to share this commitment.
- Nephron serves as an equal opportunity employer and, as a federal contractor or subcontractor, is bound by the requirements outlined in 41 CFR 60-1.4(a), 41 CFR 60-300.5(a), and 41 CFR 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their protected veteran or disability status and also prohibit discrimination against any individuals based on their race, color, religion, gender, sexual orientation, gender identity, or national origin. These regulations mandate that prime contractors and subcontractors who are covered take affirmative action to employ and promote individuals without consideration of race, color, religion, gender, sexual orientation, gender identity, national origin, protected veteran status, or disability.
- The parties involved also commit to abiding by the requirements of Executive Order 13496 (29 CFR Part 471, Appendix A to Subpart A), which pertains to the notification of employee rights under federal labor laws, as applicable.

SUPPLIER REQUIREMENTS

Continued



Anti-Trust

- Antitrust laws are established to safeguard the integrity of the competitive landscape. These legal provisions generally proscribe:
 - Agreements, whether they are formal or informal, with competitors that have a detrimental impact on competition or customers. This includes actions such as price fixing and the allocation of customers, territories, or contracts.
 - Agreements, whether they are formal or informal, which establish or fix the price at which a customer can resell a product.
 - Activities that entail the acquisition or perpetuation of a monopoly or attempts to create a monopoly through practices that are anti-competitive in nature.
- There are specific types of information, such as details pertaining to pricing, production, and inventory, which should never be exchanged with competitors, irrespective of how innocuous or casual the exchange may seem, and regardless of whether it takes place within a business or social context.
 - Comprehending the complexities of antitrust and unfair competition laws within the diverse jurisdictions where our business operates can be a challenging task. As such, it is highly advisable that you seek guidance and assistance from your supervisor or the Chief Compliance Officer whenever you encounter inquiries or require clarification concerning these intricate legal requirements. This proactive approach is instrumental in ensuring that our operations remain in strict adherence to these vital regulations and, in turn, fostering a climate of ethical and lawful business conduct.

SUPPLIER REQUIREMENTS

Continued

Money Laundering

Corporate Opportunities

- Money laundering involves the process of rendering illegally acquired funds, stemming from criminal or terrorist activities, appear legitimate. Numerous countries across the globe have implemented stringent anti-money laundering legislation, which categorically forbids any attempts to legitimize or conceal the proceeds of criminal activities. In strict accordance with these regulations, the Company wholeheartedly embraces the principles of anti-money laundering. In pursuit of this objective, the Company has instituted a comprehensive system designed to thwart any exploitation of its resources for money laundering.
- Suppliers are expected to adhere to the following guidelines:
 - Prior to engaging with a new customer, Suppliers must coordinate with the Finance Division and Compliance Division to verify the accuracy of the customer's provided information.
 - Suppliers should refrain from conducting transactions or making payments to entities that lack proper authorization, encompassing individuals, companies, and organizations alike.
 - Suppliers must not engage with entities whose transactions have been restricted by either an international organization or a specific country.
 - Cash payments for goods or services should not be entertained.

You are prohibited from personally benefiting from any opportunities related to the Company that come your way, whether they are presented to you or discovered by you in the course of your position within our organization, or through the utilization of corporate assets or information. Any such actions require explicit authorization from the Chief Compliance Officer or the Audit Committee of the Board of Directors. Even opportunities that are privately acquired by you may raise questions if they are linked to our current or potential lines of business. Involvement in investments or external business ventures directly associated with our lines of business necessitates prior approval. You are also restricted from exploiting your position within the company, corporate assets, or information for personal gain that is improper in nature, and you should refrain from engaging in any form of competition with our organization.

SUPPLIER REQUIREMENTS

Continued

Conflict Minerals

- Nephron upholds responsible sourcing practices, including adherence to the Conflict Minerals provisions of the U.S. Dodd-Frank Act. Consequently, each Supplier is obligated to make a commitment regarding the sourcing of materials from smelters operating in the Democratic Republic of the Congo or neighboring regions within Nephron's supply chain. These commitments include sourcing exclusively from smelters accredited with a "conflict-free" certification from an impartial, third-party auditor.
- Furthermore, each Supplier is mandated to furnish Nephron with duly completed declarations utilizing the Responsible Minerals Initiative Conflict Minerals Reporting Template on an annual basis. This reporting should not only reaffirm the Supplier's commitment to the specified sourcing criteria but also document the countries of origin for the tin, tantalum, tungsten, and gold acquired by the Supplier.

Chemical Regulations Compliance

- In regard to the manufacturing and utilization of chemical substances, Suppliers are required to guarantee that their operations align with the relevant regulations concerning chemicals. Furthermore, Suppliers should offer support to MDA (assuming MDA necessitates specific data) by sharing essential information about the products they supply and the associated processes. This collaborative approach is pivotal for ensuring adherence to chemicals regulations, especially in markets where distribution agreements are in effect. Timely provision of information is of paramount importance, particularly when it can help eliminate any uncertainties regarding a supplier's compliance with the law.
- Additionally, Suppliers are expected to adhere to all applicable international agreements, including, but not restricted to, the Stockholm Convention on Persistent Organic Pollutants (POPs Convention).

Resource Management

- Suppliers are dedicated to minimizing energy and water usage as a means to safeguard our precious natural resources. Additionally, they actively contribute to the preservation of local biodiversity within their operational sites and, indirectly, through their policies governing the procurement of raw materials. Nephron has, over many years, remained deeply committed to nurturing an ethical corporate culture that consistently strives for the highest benchmarks in terms of accountability and ethical business conduct.
- In the process of selecting suppliers or service providers, Nephron goes beyond mere acquisition of goods and services. Instead, Nephron seeks to establish a relationship rooted in trust with its business partners, with a shared understanding and endorsement of identical values and ethical principles.

SUPPLIER REQUIREMENTS

Continued



Fair Treatment

Wages, Benefits, & Working Hours

Freedom of Association

Media/Public Discussion

- Suppliers are required to establish a workplace that is devoid of severe and inhumane treatment. This includes, but is not limited to, ensuring there is no sexual harassment, sexual abuse, physical punishment, mental or physical coercion, verbal abuse, or any form of threatening behavior.

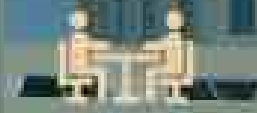
- Suppliers must adhere to wage laws that apply to their workforce, which encompass minimum wage standards, regulations regarding overtime hours, and mandatory benefits. Suppliers are obligated to promptly inform their workers about the criteria used for determining their compensation. Additionally, suppliers are expected to communicate with employees about the necessity of overtime work and the corresponding overtime wage rates.

- We endorse open dialogue and active involvement of workers in addressing workplace concerns and compensation matters. Suppliers are obliged to honor the rights of workers, as defined by local laws, to freely associate, decide whether to participate in labor unions, seek representation, and join workers' councils. Workers must have the freedom to openly communicate with management about their working conditions without any fear of retaliation, intimidation, or harassment.

- Our policy dictates that significant information regarding the Company is to be disseminated to the public exclusively through predefined and restricted communication channels. This approach is employed to prevent any undue publicity and ensure equitable access to information for all parties with a vested interest in the organization. Inquiries or communication from the press and financial analysts should be redirected to either the Chief Executive Officer ("CEO"), the General Counsel, or the Corporate Communications department.

SUPPLIER REQUIREMENTS

Continued



Business Integrity & Fair Competition

- Suppliers are expected to conduct their operations in a manner that upholds both fair and robust competition, all while adhering to the relevant anti-trust laws. They should also engage in ethical business practices, which encompass accurate and honest advertising.

Confidentiality & Privacy

- Suppliers are responsible for preserving and appropriately utilizing confidential information to safeguard the privacy rights of both the company and individuals. They must adhere to relevant Data Privacy Laws in their compliance efforts.

Intellectual Property

- Suppliers must demonstrate respect for Intellectual Property rights, and the transfer of technology and knowledge must be carried out in a way that safeguards these intellectual rights.

Trade Compliance

- Suppliers are required to adhere to the pertinent import and export regulations, sanctions, and other trade compliance laws of the United States and the laws of the countries where transactions are conducted.

Identification of Concern

- All employees should feel empowered to report any workplace concerns or unlawful activities without the fear of facing retaliation, intimidation, or harassment. Suppliers are obligated to investigate such reports and implement corrective actions as necessary.

SUPPLIER REQUIREMENTS

Continued



Conflict Of Interest

- Suppliers are encouraged to steer clear of any interactions with Nephron employees that could create a conflict of interest, or give the appearance of such a conflict, where the employee's actions may not align with Nephron's best interests. In cases where suppliers have associates or immediate family members employed by Nephron, and this association might pose a conflict of interest, it is imperative that such relationships are disclosed to Nephron before entering into any business engagements



Anti-Corruption & Bribery

- Nephron upholds a strong commitment to conducting its business activities in strict accordance with all pertinent laws and regulations that explicitly forbid any form of bribery or corruption. We maintain a zero-tolerance policy towards bribery in any shape or form. Nephron has adjusted its processes and methods to align with the following standards, and we anticipate that our suppliers will likewise adhere to the relevant laws and regulations.
- All practices related to corruption, extortion, and embezzlement are strictly prohibited. Suppliers are expressly prohibited from engaging in or accepting bribes or any other unlawful enticements in the context of their business or government interactions. Suppliers are expected to comply with all the anti-corruption laws, rules, and regulations that are applicable, including the U.S. Foreign Corrupt Practices Act, the UK Bribery Act, and those established under the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. Suppliers should have established policies and procedures to ensure compliance with these regulations.



Gifts, Entertainment, Hospitality, Gratuities & Other Favors

- It is strictly forbidden to either offer or accept any form of payment or gift that may be interpreted as a bribe or kickback. This includes gifts of any type, description, or nature, which encompasses discounts, coupons, and other promotions that are not available to the general public. Nevertheless, Nephron employees are permitted to receive branded promotional items and annual holiday gifts (excluding cash), with an estimated fair-market value of \$100.00 or less, as long as these gifts adhere to industry norms, legal requirements, and do not reasonably appear to be a bribe or illicit payment. For clarification regarding gifts that don't meet these criteria, please seek guidance from a member of the Nephron Compliance Department.

SUPPLIER REQUIREMENTS

Continued



Patient Organization

- Collaboration with patient organizations and patients is of paramount importance in fulfilling Nephron's mission to develop innovative treatments and pharmaceuticals. Nephron is committed to addressing the requirements of its primary stakeholders, the patients, while concurrently adhering to the laws and regulations of each country and international standards when engaging with patient organizations. The management of patient relationships is entrusted to the regulatory agencies in each country, each of which prescribes an intricate set of evolving mandates that must be diligently observed.
- Nephron holds a deep respect for the autonomy of patient organizations and refrains from any attempts to exert unwarranted influence. Consequently, Nephron refrains from exclusive sponsorship of any specific patient organization that might create a misleading perception for external parties. All support activities are documented meticulously and executed with complete transparency.
- Suppliers are expected to:
 - Acquaint themselves with and adhere to Nephron's corporate policies as well as the local marketing regulations. Prior to initiating any marketing activities, it is recommended to consult with the Compliance Division, recognizing that laws and regulations can diverge across different countries.
 - Uphold the autonomy of patient organizations when providing support or facilitating collaborative initiatives, ensuring that such independence is safeguarded from any compromise.
- In addition to these overarching principles, Nephron's Compliance Division will establish and uphold sound marketing practices. Furthermore, subsidiary Compliance Divisions will create comprehensive guidelines tailored to the specific requirements outlined in local laws, regulations, and pharmaceutical industry standards.
- Nephron's Global Policy for Good Marketing Practices serves as the comprehensive framework governing these interactions and activities.

SUPPLIER REQUIREMENTS

Continued



Healthcare Professionals



Contribution to Local & International Community

- Nephron engages with healthcare professionals across various countries worldwide through multiple channels, encompassing medical information exchange, promotional initiatives, research, educational endeavors, and various service interactions. In doing so, Nephron maintains an unwavering commitment to the utilization of transparent, non-deceptive, and well-substantiated data founded on scientifically validated evidence in its interactions with healthcare professionals. This commitment extends to strict adherence to applicable national and internationally recognized regulatory standards and laws.
- Suppliers are expected to:
 - Display a thorough understanding of both local and Nephron-specific marketing regulations and ensure compliance, recognizing that these regulations may exhibit variations from one country to another. Prior to initiating any marketing activities, it is advisable to consult with the Compliance Division, as legal stipulations may differ by region.
 - Uphold the professional expertise and autonomy of healthcare professionals during collaborative engagements and support, refraining from exerting any undue influence.
 - Maintain accurate records and demonstrate full transparency when documenting any activities involving healthcare professionals.
- Additionally, Nephron's Compliance Division will establish robust marketing practices to ensure adherence to these principles. Furthermore, subsidiary Compliance Divisions will formulate detailed guidelines in accordance with local laws, regulations, and pharmaceutical industry standards.
 - Nephron's Global Policy for Good Marketing Practices serves as the overarching framework governing these interactions and endeavors.
- Nephron is dedicated to advancing the betterment of local and global communities, with a core mission of enhancing public health through the provision of its pharmaceutical products. This commitment is deeply ingrained in Nephron's ethos. Furthermore, Nephron places a distinct emphasis on addressing the needs of regions where access to adequate medical services is limited. In such areas, Nephron takes rigorous and conscientious measures to ensure that safe and cost-effective medications reach the hands of patients who might otherwise have insufficient access to vital healthcare resources.
- In alignment with these values, Nephron requires its Suppliers to:
 - Exercise a high level of caution and diligence in their business activities to prevent any inadvertent encroachment upon the interests and responsibilities of both local and international communities.
 - Maintain an open line of communication with their designated supervisor and promptly report any instances where Nephron's operations have, or may potentially, intrude upon the roles or functions traditionally carried out by a local or international community. This collaborative approach ensures that any unforeseen issues can be addressed with a swift and appropriate response, preserving the integrity of Nephron's commitment to global welfare and public health.

SUPPLY CHAIN SECURITY

- **Trade Compliance:**

- Nephron, being a U.S.-based company, is obligated to adhere to U.S. trade sanctions and export control laws, which extend to indirect compliance through its suppliers. Moreover, Nephron is committed to observing the import and export regulations that pertain to international transactions in every country where it conducts business, and therefore, it necessitates that its suppliers also ensure compliance.
- Nephron holds the expectation that its suppliers will diligently adhere to all relevant international import and export regulations. This includes the provision of accurate information regarding the sourcing of raw materials and components, as needed. Furthermore, suppliers are required to furnish precise details concerning the country of origin, tariff codes, export classifications, and regulatory registration requirements upon request.

- **Customs Security:**

- Nephron expresses its support for the initiatives led by the World Customs Organization (WCO) and the Customs-Trade Partnership Against Terrorism (C-TPAT) aimed at enhancing the security of our supply chains and logistics systems. As a staunch advocate for the C-TPAT program, Nephron's objectives are focused on improving and upholding robust security procedures across the global supply chain to ensure the timely receipt of all incoming cargo. Nephron strongly encourages its suppliers to participate in the appropriate program, with a specific emphasis on U.S. suppliers joining C-TPAT. Additionally, non-U.S. suppliers are expected to implement the requisite security measures within their own supply chains as per U.S. Customs expectations.
- Nephron mandates that suppliers institute comprehensive programs designed to secure trade within their respective supply chains, with these programs aligning with the standards set by CTPAT in the U.S. or the AEO program established by the World Customs Organization.
- Furthermore, Nephron requires each of its suppliers of goods and services to inform their various facilities, offices, and subsidiaries about the CTPAT/AEO programs and Nephron's active participation in these initiatives.

SUPPLY CHAIN SECURITY

• Privacy:

- Nephron places significant emphasis on data protection and privacy, recognizing their vital importance. We are unwavering in our commitment to uphold our core values, particularly those of unwavering integrity and accountability, in managing personal data and acting as responsible custodians of data in today's digital and global business landscape. We expect our suppliers to uphold these same principles.
- In accordance with global privacy regulations, Nephron is required to establish a Data Processing Agreement (DPA) with any supplier responsible for processing personal data on our behalf. The DPA must incorporate, where applicable, specific contractual provisions permitting the transfer of personal data beyond its originating jurisdiction.
- Nephron also insists that suppliers adhere to all relevant data protection and privacy regulations. Furthermore, we expect suppliers to have suitable policies and procedures in place for their own suppliers to ensure that all personal data processed on behalf of Nephron is handled securely and in full compliance with applicable laws.
- Suppliers are additionally encouraged to establish DPAs with any of their own suppliers who may have access to, or engage in the processing of, personal data while delivering services to Nephron.

• I.T. Security:

- Nephron places a high value on information management. We have established policies and standardized operating procedures designed to uphold the confidentiality, security, integrity, and accessibility of information. These procedures encompass the standards for acceptable use and are applicable to both Nephron employees and non-employees. These requirements are also extended to all information and information processing facilities that are accessed, processed, or shared with external or third parties. It is essential to protect them from any form of misuse or unauthorized access.
- Nephron holds the expectation that our suppliers will have in place policies and procedures that align with these requirements, including any additional ones that may be relevant on a local or regional level.

MANAGEMENT SYSTEMS

• Monitoring & Compliance:

- Nephron's suppliers must never participate in any actions that are forbidden by this Code of Conduct. This includes being aware of and taking suitable corrective measures, which can extend to termination, when a subcontractor or supplier, acting on behalf of Nephron's supplier, is involved in such prohibited activities.

• Commitment & Accountability:

- Suppliers are expected to exhibit their dedication to the principles elucidated in this document by appropriately allocating the necessary resources to support and implement these concepts effectively.

• Documentation:

- Suppliers are required to retain documentation that is essential for showcasing their adherence to these stipulations and their compliance with relevant regulations.

• Sub-Suppliers:

- Suppliers are expected to establish and maintain a comprehensive program designed to ensure that their own suppliers align with our expectations, which are in accordance with the guidelines outlined in this document. This program should encompass a robust framework for evaluating, monitoring, and improving supplier performance, thereby ensuring that the supply chain maintains the standards and principles described herein. This approach not only fosters accountability but also promotes a culture of shared responsibility across the supply network.

• Fraud Prevention & Reporting:

- Suppliers are required to establish a well-structured and comprehensive process aimed at proactively preventing instances of fraud within their operations. This process should not only encompass prevention but also involve the rigorous reporting of any such incidents, irrespective of their material significance, to Nephron. Such a multifaceted approach underscores the utmost importance placed on maintaining the integrity of business practices within our supply chain relationships. By actively preventing and transparently reporting fraud, suppliers contribute to fostering a climate of trust, accountability, and collaboration, which ultimately enhances the overall effectiveness and reliability of our supply network.

• Business Continuity:

- Suppliers bear the responsibility for crafting and executing robust continuity plans to safeguard the seamless and uninterrupted operations that directly support Nephron's activities. These plans should constitute a comprehensive strategy that not only ensures business continuity but also places a strong emphasis on resilience, addressing a multitude of potential disruptions that could impact the critical functions underpinning Nephron's supply chain. By doing so, suppliers actively contribute to the overall stability, reliability, and resilience of the supply network, instilling a sense of confidence and trust in our collaborative business relationships. This commitment to foresight and planning underscores the unwavering dedication to maintaining a steady and resilient supply chain environment.

MANAGEMENT SYSTEMS

Continued

- **Risk Management:**
 - Suppliers are required to establish and maintain risk assessment and management mechanisms that pertain to all aspects covered within this document. These mechanisms should encompass a holistic approach that involves identifying, analyzing, and effectively addressing risks in the various domains outlined in this document. By adopting a comprehensive risk management strategy, suppliers contribute to the overall resilience and sustainability of their operations, thereby strengthening the reliability and stability of the entire supply chain. This dedication to diligent risk management underscores the crucial importance of maintaining a secure and adaptable business environment capable of navigating the intricate challenges inherent to today's dynamic global marketplace.
- **Training & Competency:**
 - Suppliers are mandated to establish a training program aimed at equipping both management and workers with the requisite knowledge, skills, and capabilities to effectively meet and address the expectations delineated in this document. This training program should be meticulously designed to ensure that individuals at all levels within the supplier organization possess the necessary expertise and proficiency to consistently meet the defined standards and requirements. Through this commitment to ongoing training and skill development, suppliers contribute to the overall competence and excellence within their operations, thereby enhancing the quality and reliability of the supply chain. This dedication to skills enhancement underscores the paramount importance of maintaining a high level of competence and adaptability in an ever-evolving business landscape.
- **Continual Improvement:**
 - Suppliers are anticipated to engage in a perpetual cycle of enhancement by establishing performance objectives, putting into effect strategic implementation plans, and proactively addressing any shortcomings that may be identified through internal or external evaluations, inspections, or management assessments. This commitment to ongoing improvement underscores the significance of adaptability and responsiveness within supplier operations. It encourages a culture of continuous refinement, enabling suppliers to consistently elevate their performance standards, thereby contributing to the overall robustness and quality of the supply chain.

U.S GOVERNMENT CONTRACTS & SUBCONTRACTS

- The products procured by Nephron from our suppliers might find application in U.S. Government contracts. Nephron maintains an unwavering commitment to upholding the utmost levels of business integrity and ethical conduct in the procurement and execution of U.S. Government contracts. We hold the same expectations for our suppliers who furnish us with products and services that have the potential to be utilized in U.S. Government contracts. This collective commitment to ethical business practices ensures the integrity, compliance, and quality standards we uphold throughout the supply chain, especially in contexts involving government contracts.
- **Debarment & Suspension:**
 - Except in cases of an exceptional circumstance that has received approval from U.S. Government authorities with the appropriate jurisdiction, Nephron will refrain from participating in business dealings with individuals or entities who have been subjected to debarment, suspension, or are under consideration for such actions, or are otherwise disqualified from securing U.S. Government contracts. Should any supplier, at any point, become debarred, suspended, or be under consideration for such actions, they are required to promptly communicate this matter to Nephron in written form. This stringent adherence to regulations and transparency serves to maintain the integrity and compliance of our business activities, particularly in relation to U.S. Government contracts.
- **Flow Down:**
 - The Government Contracts Addendum, comprising the Federal Acquisition Regulation (FAR) or the pertinent FAR supplement clauses specified therein, will be meticulously integrated by reference into every contractual agreement established with our suppliers, as well as into each purchase order issued for the acquisition of products and services. This rigorous approach ensures that the regulatory framework, as encapsulated in the Government Contracts Addendum and the FAR, is seamlessly incorporated into the fabric of our supplier relationships and acquisition procedures, underscoring our commitment to diligent compliance and adherence to the stipulations governing government contracts. This strategic incorporation serves as a paramount component in fostering transparent and ethically sound business dealings within the sphere of federal acquisition.

VIOLATIONS & REPORTING

- **Consequences of Violation:**

- Nephron, at its exclusive discretion, retains the authority to abstain from commencing a relationship, or to temporarily halt or permanently terminate any ongoing association, with any Supplier failing to adhere to the principles articulated in this Code.

- **Reporting to Nephron:**

- Every Supplier must promptly notify Nephron contact upon becoming aware of any confirmed or suspected instances of the following:
- Unlawful or improper conduct by any of Nephron's directors, employees, agents, or representatives.
- Unlawful or improper conduct by the Supplier itself, any subcontractor, sub-supplier, or any other party providing goods or services to Nephron.
- Debarment or suspension (or proposed debarment or suspension) from government contracting of the Supplier, any subcontractor, sub-supplier, or any entity engaging in business with Nephron.
- Any issue or legal violation that might impact Nephron's or the Supplier's ability to provide goods and/or services to Nephron.

THANK YOU



Nephron Pharmaceuticals



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