



# Supplier Code of Conduct

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# 1.0 Purpose



The purpose of this Procurement Policy (the “Policy”) is to ensure that all commitments to purchase goods and or services be conducted in a manner consistent with the Shire Code of Ethics and Ethical Conduct and to establish the expectations for engaging Procurement and communicating Shire’s approved methods and guidelines regarding the purchase of goods and or services from suppliers.

# 2.0 Scope



This Policy applies to third party supplier engagements, direct (production) and indirect (non-production) spend and expenditures on behalf of Shire:

- Shire plc and
- All of its subsidiaries
- All directors, officers and employees of Shire plc, and any of its subsidiaries
- Authorized agents that have responsibility for assisting with the procurement of goods and or services for Shire

# 3.0 Policy Statements



## 1. Introduction to Shire’s Supplier Code of Conduct

Shire is the leading global biotechnology company focused on rare diseases. We research, develop, and market innovative medicines that have the potential to transform the lives of people with rare—and often unmet—medical needs.

Managing the environmental and social impacts of our operations, products, manufacturing, and sourcing is an important part of our commitment. We work with business partners, contractors, and suppliers to ensure the products we deliver are safe, effective, and of the highest quality. Operating responsibly and using resources efficiently involves setting and living up to exacting standards, and supporting our partners and suppliers in doing the same.

At Shire, we’re committed to partnering with our suppliers and making positive changes along our value chain by encouraging our business partners, suppliers, and contractors to adopt responsible and sustainable practices.

The Shire Supplier Code of Conduct is based upon the Pharmaceutical Supply Chain Initiative’s (PSCI) Pharmaceutical Industry Principles, the United Nations Universal Declaration of Human Rights, the International Labour Organization’s “Declaration on Fundamental Principles and Rights at Work”, and the Shire Code of Ethics.



## 2. Shire's Expectations of Suppliers

Shire deals fairly, responsibly and ethically with our contractors, vendors and suppliers. We expect that they will do the same in return. Procurement decisions are based on customary commercial and technical considerations. Suppliers must comply with the all applicable laws, rules, regulations, and ethical standards of the countries in which they operate or do business.

Shire Procurement will:

- Deal fairly, responsibly and ethically with all of our contractors and suppliers
- Award work to business partners on the basis of customary commercial considerations only
- Not take unfair advantage of others by deliberately manipulating, concealing or abusing information or misrepresenting material facts
- Not seek or accept special favors, gifts or arrangements with suppliers or customers

Shire expects its suppliers to support the principles outlined in this Code of Conduct. These expectations are communicated to both suppliers and to Shire's employees. Where any aspect of the Code of Conduct is unclear, or where a supplier feels they cannot comply with any aspect of these principles they will seek guidance from Shire Procurement.

Shire expects suppliers to report any incident impacting business continuity to appropriate regulatory authorities, employees and customers, as applicable.

In the event that any of these principles have been overlooked and a non-compliance has occurred, whether knowingly or unknowingly, the supplier will promptly bring details of the non-compliance to the attention of Shire.

Shire Procurement leverages its influence to encourage its suppliers to consider the social and environmental impacts of their goods and services.

Companies supporting the Principles:

- Will integrate and apply these Principles in a manner consistent with their own supplier programs
- Believe that society and business are best served by responsible business behaviors and practices. Fundamental to this belief is the understanding that a business must, at a minimum, operate in full compliance with all applicable laws, rules and regulations
- Are aware of differences in culture and the challenges associated with interpreting and applying these Principles globally. While companies supporting the Principles believe that what is expected is universal, it is understood that the methods for meeting these expectations may be different and must be consistent with the laws, values and cultural expectations of the different societies of the world
- Believe the Principles are best implemented through a continual improvement approach that advances supplier performance over time





## 3. Ethical Business Practices

Shire expects all suppliers to adopt rigorous Ethical Business Practices as outlined below and further encourages each Supplier/Partner to ask the same of their suppliers.

### 3.1 Business Integrity and Fair Competition

All corruption, extortion, fraud and embezzlement are prohibited. Suppliers shall not pay or accept bribes or participate in other illegal inducements in business or government relationships. Suppliers shall conduct their business consistent with fair and vigorous competition and in compliance with all applicable anti-trust and other relevant laws. Suppliers shall employ fair business practices including accurate and truthful advertising.

### 3.2 Identification of Concerns

All workers should be encouraged to report concerns or illegal activities in the workplace without threat of reprisal, intimidation or harassment. Suppliers shall investigate and take corrective action if needed.

### 3.3 Animal Welfare

Animals shall be treated humanely with pain and stress minimized. Animal testing should be performed after consideration to replace animals, to reduce the numbers of animals used, or to refine procedures to minimize distress. Alternatives should be used wherever these are scientifically valid and acceptable to regulators.

### 3.4 Privacy

Suppliers shall safeguard and make only proper use of confidential information to ensure that company, worker, and patient privacy rights are protected.

### 3.5 Conflict of Interest

A “conflict of interest” exists when your personal, social, financial, civic or charitable activities could conflict with Shire’s interests or compromise your objectivity. Shire expects all suppliers to disclose any actual or potential conflicts of interest to Shire management.

### 3.6 Trade Compliance

Shire expects its suppliers to import, export and engage in all forms of trade in a legal and ethical manner.

### 3.7 Supplier Diversity

Shire recognizes the value of unique and diverse perspectives from our partners and suppliers. We encourage and welcome diversity in your supplier base, just as we do in our own business. Our vision for Supplier Diversity and Inclusion can be found on Shire’s [website](#).





## 4. Labor

Suppliers shall be committed to uphold the human rights of workers and to treat them with dignity and respect. Shire fully supports efforts to remove labor violations in our supply chain. Shire's statement on UK Modern Slavery can be found [here](#); further, Shire's statement on Transparency in the Supply Chain can be found [here](#). The Labor elements include:

### 4.1 Freely Chosen Employment

Suppliers shall not use forced, bonded or indentured labor or involuntary prison labor.

### 4.2 Child Labor and Young Workers

Suppliers shall not use child labor. The employment of young workers below the age of 18 shall only occur in non-hazardous work and when young workers are above a country's legal age for employment or the age established for completing compulsory education.

### 4.3 Non-Discrimination

Suppliers shall provide a workplace free of harassment and discrimination. Discrimination for reasons such as race, color, age, gender, sexual orientation, ethnicity, disability, religion, political affiliation, union membership or marital status is not condoned.

### 4.4 Fair Treatment

Suppliers shall provide a workplace free of harsh and inhumane treatment, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers and no threat of any such treatment.



#### **4.5 Wages, Benefits and Working Hours**

Suppliers shall pay workers according to applicable wage laws, including minimum wages, overtime hours and mandated benefits.

Suppliers shall communicate with the worker the basis on which they are being compensated in a timely manner. Suppliers are also expected to communicate with the worker whether overtime is required and the wages to be paid for such overtime.

#### **4.6 Freedom of Association**

Open communication and direct engagement with workers to resolve workplace and compensation issues is encouraged.

Suppliers shall respect the rights of workers, as set forth in local laws, to associate freely, join or not join labor unions, seek representation and join workers' councils. Workers shall be able to communicate openly with management regarding working conditions without threat of reprisal, intimidation or harassment.



## 5. Health and Safety

Suppliers shall provide a safe and healthy working environment, including for any company provided living quarters. The Health and Safety elements include:

### 5.1 Worker Protection

Suppliers shall protect workers from exposure to chemical, biological, physical hazards and physically demanding tasks in the work place and in any company provided living quarters.

### 5.2 Process Safety

Suppliers shall have programs in place to prevent or mitigate catastrophic releases of chemicals.

### 5.3 Emergency Preparedness and Response

Suppliers shall identify and assess emergency situations in the workplace and any company provided living quarters, and to minimize their impact by implementing emergency plans and response procedures.

### 5.4 Hazard Information

Safety information relating to hazardous materials—including pharmaceutical compounds and pharmaceutical intermediate materials—shall be available to educate, train, and protect workers from hazards.



## 6. Environment

Suppliers shall operate in an environmentally responsible and efficient manner to minimize adverse impacts on the environment. Suppliers are encouraged to conserve natural resources, to avoid the use of hazardous materials where possible and to engage in initiatives that drive reduce, reuse and recycle principles. The environmental elements include:

### 6.1 Environmental Authorizations

Suppliers shall comply with all applicable environmental regulations. All required environmental permits, licenses, information registrations and restrictions shall be obtained and their operational and reporting requirements followed.

### 6.2 Waste and Emissions

Suppliers shall have systems in place to ensure the safe handling, movement, storage, recycling, reuse, or management of waste air emissions and wastewater discharges. Any waste, wastewater or emissions with the potential to adversely impact human or environmental health shall be appropriately managed, controlled and treated prior to release into the environment.

### 6.3 Spills and Releases

Suppliers shall have systems in place to prevent or mitigate accidental spills and releases to the environment including but not limited to notification and communication with applicable regulatory authorities, employees and customers as appropriate.

## 6.4 Material Compliance

Suppliers shall comply with all applicable chemical regulations governing the manufacturing, distribution, handling and storage, import and sale of materials supplied to Shire and/or used in their operations such as but not limited to REACh, GHS, RoHS, Conflict Minerals, California Proposition 65, and TSCA, hazardous materials and use of restricted and banned substances. Suppliers shall have systems in place to monitor and mitigate issues that may arise, due to registration, notification and reporting to regulatory agencies, to prevent any impact on product development, manufacturing and/or import of materials related to registration, notification and reporting of chemical substances in the country where they do business.





## 7. Management Systems

Suppliers shall use management systems to facilitate continual improvement and compliance with the expectations of these principles. The management system elements include:

### 7.1 Commitment and Accountability

Suppliers shall demonstrate commitment to the concepts described in this document by allocating appropriate resources.

### 7.2 Legal and Customer Requirements

Suppliers shall identify and comply with applicable laws, regulations, standards and relevant customer requirements.

### 7.3 Risk Management

Suppliers shall have mechanisms to determine and manage risks in all areas addressed by this document.

### 7.4 Documentation

Suppliers shall maintain documentation necessary to demonstrate conformance with these expectations and compliance with applicable regulations.

### 7.5 Training and Competency

Suppliers shall have a training program that achieves an appropriate level of knowledge, skills and abilities in management and workers to address these expectations.

### 7.6 Continuous Improvement

Suppliers are expected to continually improve by setting performance objectives, executing implementation plans and taking necessary corrective actions for deficiencies identified by internal or external assessments, inspections, and management reviews.



## 8. Additional Principles

In addition to the PSCI Principles, the following principles are of importance to Shire:

### 8.1 Innovation

Innovation is a strategic driver for Shire. We view our suppliers as business partners with expertise, assets and capabilities that can be used to enable improvements in efficiency, effectiveness and business continuity to bring life-changing therapies to underserved patients.

#### **Additional Information:**

In addition, to complying with the requirements, Shire may request additional information through but not limited to supplier surveys/campaigns. Shire respectfully requests that as a supplier, you respond to the best of your company's abilities.

### 8.2 Sustainability

Shire continues to strive to be an advocate in sustainability initiatives within its organization as well as support a sustainable supply chain to meet its core objectives and assure access of products to patients. Shire continues to review its supplier selection criteria to include a number of factors including, but not limited to, environmental, social and economic elements. As the program evolves, Shire will communicate its sustainability objectives including expectations of suppliers, upon development.

Suppliers shall strive to improve their organizational processes by establishing and implementing sustainability goals in support of minimizing environmental impact, managing social risks ethically and responsibly, and maximizing economic viability for both Shire and Shire's supplier/partners.