



SUSTAINABLE PROCUREMENT POLICY

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SUSTAINABLE PROCUREMENT POLICY



Introduction

At Morepen Laboratories Ltd., our journey of over four decades have been driven by a commitment to making a tangible difference in the lives we touch. Nestled in the scenic surroundings of Baddi, our state-of-the-art manufacturing facility encompasses a scientifically integrated complex of 15 plants, each dedicated to a specific product profile. Our extensive R&D facilities and factories are staffed by a dedicated team of professionals who uphold stringent quality standards. With a strong global presence, Morepen exports to over 75 countries, holding certifications from major regulatory authorities such as USFDA, WHO GMP, EU GMP, PMDA Japan and ANVISA. Domestically, our brands, Dr. Morepen and Gubb World, offer a wide range of healthcare, grooming, and OTC products trusted by over 100 million consumers.

Commitment to Sustainable Supply Chain

Morepen Laboratories is committed to sustainability in all its business activities & strives to apply the highest ethical standards. We adhere to the principle of shared value, promoting policies and practices that not only enhance our competitiveness but also improve the economic and social conditions of the communities we serve. We uphold the highest standards of ethics, integrity, responsible business practices & extend it to our suppliers through the Supplier Code of Conduct. As part of our Good & Green initiative, we aim to build a greener India, and innovate for products that contribute to societal good.

Our Ethical Foundation

We firmly believe that businesses can address critical social issues while simultaneously enhancing their competitive edge. In line with this vision, Morepen has undertaken various initiatives in healthcare, education, environmental sustainability, renewable energy, and vocational training. We have ingrained sustainability and shared value into the core of our business operations.

At Morepen, our team members and business associates are expected to demonstrate integrity in all aspects of their activities and comply with applicable laws, regulations, and internal policies. We have established a Code



of Ethics to enhance compliance and promote good corporate governance through ethical and transparent management practices.

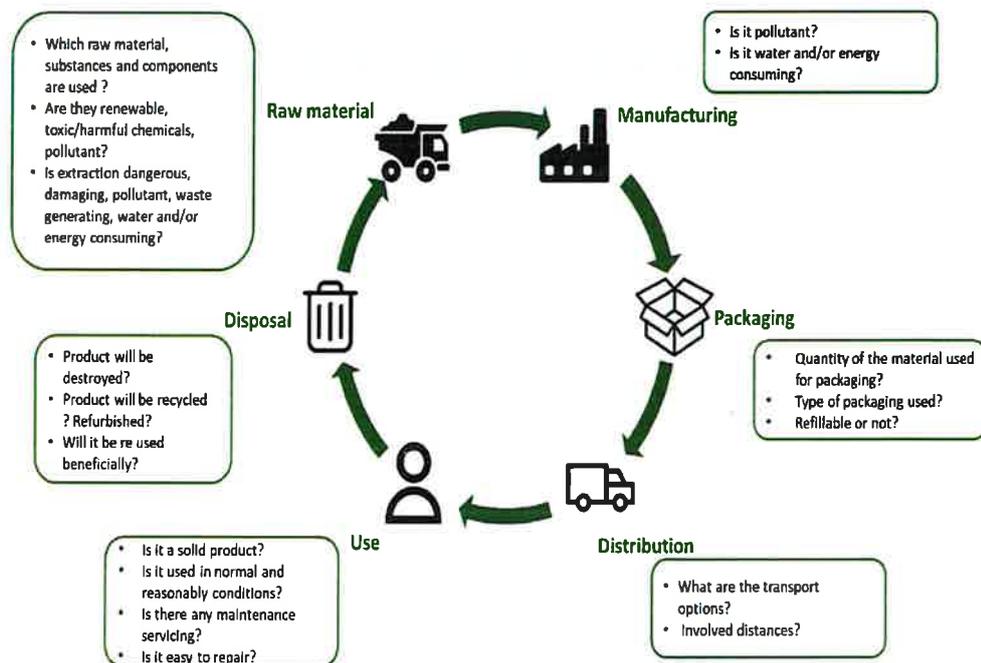
Sustainable Procurement

The Sustainable Procurement shall mean the procurement activity that has most positive influence environmentally, socially and economically that occurs in the entire lifecycles, which aims at minimizing unfavorable effects.

To achieve our sustainability goals and maintain ethical conduct, it is crucial that our suppliers align with our values and vision.

Our Sustainable Procurement Policy is an extension of our values and is applicable to all our suppliers. We expect our suppliers to operate in accordance with the principles outlined in this policy and adhere to all relevant laws and regulations. This policy goes beyond mere compliance with legal requirements by drawing upon internationally recognized standards to identify and define best practices globally.

For this, we aim at obtaining a global vision of environmental impacts. For each step of a product's life cycle, we should work on below chart & analyze all the different environmental impacts.



The Principles

1. Ethically Driven

We conduct our business activities in a fair and transparent manner with honesty, integrity, high ethical & moral standards and respect for human rights. We strongly believe that high ethical standards are essential for sound business relationships. We expect our suppliers to share this commitment while conducting their business.

Business Integrity and Ethics

- Conflict of interest

Suppliers are expected to report any conflict of interest in any business dealings with Morepen that supplier is aware of to allow us the opportunity to take appropriate action. It should be disclosed if any Morepen employee or professional under contract may have significant ownership or interest in a supplier's business.

- Bribery, corruption, gifts and donations

Our Company is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates, and to implementing and enforcing effective systems to counter bribery. This includes compliance with all laws, domestic and foreign, prohibiting improper payments, gifts or inducements of any kind to or from any person, including officials in the private or public sector, customers and suppliers. Our Company is equally committed to the prevention, deterrence and detection of bribery and other corrupt business practices.

- Confidentiality

Suppliers shall safeguard and respect Morepen's intellectual property; trade secrets and other confidential, proprietary and sensitive information or data at all times and shall not disclose the same. The information provided by Morepen should be used only for its intended and designated purpose as decided and agreed upon between Morepen and the supplier.

- Anti-competitive and restrictive trade practices

Suppliers must comply with applicable local and international laws to promote free and fair competition and to get business by offering competitive prices and innovative products.



Accountability and Transparency

- Maintaining appropriate financial records

We expect suppliers to prepare and maintain accounts of business dealings fairly, accurately and in accordance with accounting and financial reporting standards which represent the generally accepted guidelines, principles, standards, laws and regulations of the country of operation.

Legal and Regulatory Compliance

We expect our suppliers to comply with all applicable laws and regulations within the country of operation. All other applicable international laws and regulations should also be complied with. Suppliers should follow guidelines of all the required permits and registrations to be legally compliant at all times.

2. Socially Conscious

We are committed towards supporting sustainable development and business practices. Sustainable practices now have grown to encompass social performance criteria as well. We believe that an organization should play a significant and beneficial role within the local community and society in general. We are contributing towards social and economic development of the communities in which we operate and expect our suppliers to take steps towards same.

Responsible Conduct with Stakeholders

- Fair dealing with vendors/suppliers

We encourage our suppliers to conduct all transactions with their business partners in fair and transparent manner including fair evaluation, reasonable selection, equal opportunities, fair and free competition for all.

- Diversity in workforce

We suggest that suppliers should take initiatives to have a diverse and inclusive workforce in terms of age, gender, experience, ethnicity etc.

- Engage and involve local communities

We encourage our suppliers to address issues and concerns of the community impacted by their operations and minimize the impact.



3. Green Inspired

Green Products and Processes

- Reducing emissions and water intake

We suggest that our suppliers identify sources of emissions (CO₂, Other Greenhouse Gases, SOX, NOX and Particulate Matter) and make progressive efforts towards reducing these emissions. Opportunities for reduction in water usage should be identified and measures for water conservation should be implemented.

- Efficient systems and process

Suppliers should strive towards enhancing the efficiency and performance of the equipment and processes by continual improvement, monitoring and assessment of technology. Good practices should be followed to ensure environmental resources are valued and protected.

- Reducing usage of hazardous and toxic materials and substances

We expect our suppliers to assess their use of hazardous and toxic material and take necessary steps to reduce it, as much as possible. Appropriate substitutes and replacements should be introduced to minimize exposure to such materials.

- Disposal of toxic waste

Toxic waste should be handled with professional guidance and mechanism should be put in place to dispose-off the waste to authorized waste processors by the suppliers. Toxic waste should not be allowed outside the premise without proper approval.

Reduce, Reuse and Recycle

- Zero waste to landfill

Waste to landfill should be analyzed and suppliers should try and set targets to reduce the quantity of disposal to landfills. Alternate waste disposal techniques should be adopted in order to reduce the impact on the environment.

- Responsible consumption of resources

We recommend our suppliers to minimize use of all resources, including virgin raw material, in their processes. The supplier should look for opportunities to reduce resource consumption by improving efficiency, investing in advanced technology, reusing material by innovating products and processes. The



supplier should minimize dependence on scarce natural resource by identifying and using appropriate replacements.

- Packaging material

Suppliers should try and take steps to reduce the environmental impact of their packaging material by developing innovative, practical solutions to modify the design and disposal method to the best possible extent.

Adopting Green Initiatives and Practices

In order to monitor the environmental performance and to become environmental friendly, practices to monitor and minimize environmental impact should be imbibed in organization's processes. We recommend that our suppliers inculcate such practices in their operations and start new initiatives to reduce their impact on the environment.

On-Site Audits of Suppliers

Business partners that have a significant impact on Morepen's business continuity, such as suppliers of raw materials (regardless of whether they are direct or indirect materials), we conduct On-site Audit regarding the operational status of waste water treatment facilities, the working environment of employees, and the prevention of chemical substance exposure. In cases where items are pointed out, Morepen indicate an improvement proposal, request a plan for corrective measures and follow up on progress of the improvements based on the corrective measures plan.

Supplier Diversity

Morepen encourages and welcomes a diverse supply base as part of its commitment to diversity and inclusion. This is to ensure that diverse individuals and companies are included and play a role, in our vision to turn innovative science into value for patients, irrespective of race, nationality, gender, or age. We recognize that diverse suppliers bring unique backgrounds and experiences, and these are critical contributors to our ecosystem of value.

Morepen is expanding its diversity efforts which are being taken in accordance with Morepen's Sustainability efforts to contribute to society and evolve into a model that inspires trust, collaboration, and creates a positive impact on communities, as well as with Morepen's policy to provide fair and equitable opportunity to all qualified businesses to be considered potential suppliers.



This will aim to include a broader range of traditionally excluded supplier groups, creating growth and development opportunities for these suppliers.

Companies registered as Micro, Small & Medium Enterprises (MSME)

Woman Business Enterprise (WBE)

Local Business (LB)

Continuous Improvement and Communication

We will periodically review this policy to ensure it aligns with our vision and promotes continuous improvement. We encourage our suppliers to review this policy and ensure that its principles are reflected in their ongoing business dealings with Morepen. We expect our suppliers to communicate this policy throughout their organizations as appropriate.

Together, let us move towards an ethically driven, socially conscious and green-inspired, supply chain.

