



Third Party Code of Conduct

Introduction

At the ACG Group (ACG, Group, We, Our, Company), we are driven by our commitment to always act in the best interests of our internal and external stakeholders. As a result, we ensure that we always prioritise doing the right thing by enabling social impact and embedding sustainability into every facet of our direct operations and our extended value chain, including procurement and suppliers.

The ACG Third Party Code of Conduct outlines comprehensive guidelines to safeguard the environment, promote health and safety, uphold human rights, and ensure responsible labour practices. These include compliance with child labour laws, anti-discrimination measures, fair working conditions, working hours, compensation, the right to association, and freely chosen employment. The Code also emphasises robust environmental policies, focusing on sustainable product and material use, climate mitigation, water efficiency, and waste management. Additionally, it highlights the importance of ethical business practices. This includes anti-corruption measures, transparency, and animal welfare in the supply chain.

In alignment with our dedication to the highest ethical and operational standards, we expect our direct and indirect suppliers and service partners to embody and adhere to the principles laid out in this policy across all their business practices.

Intent and Purpose

This policy aims to ensure that our third parties, who are integral to our business, are aligned with the broader intent of environment, social, and governance, going beyond business as usual.

Our third parties shall align to our values of "Collaborative, Caring, and Progressive".

Scope and Applicability

This policy applies to the ACG Group and its subsidiary companies, suppliers, service partners, consultants, contractors, and subcontractors, whom the Group and its subsidiaries directly supervise.

The scope of this policy extends to all our geographic regions, both within India and outside. It covers 100% of all our operations.

It excludes third-party warehouses operates.

Adherence to National and Global Laws and Regulations

The ACG Group requires all third parties to conduct their business responsibly, adhering to applicable laws and regulations. Additionally, we expect our third parties to extend these practices throughout their supply chains and relevant third parties.

In India, this includes but is not limited to **Labour Laws** (Minimum Wages Act, Maternity Benefit Act, Child Labour Act); **Factory Laws** (Factories Act, The Building and Other Construction Workers Act, 1996); **Environmental Laws** (Environment Protection Act, Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act); **Human Rights Laws** (Protection of Human Rights Act, The Scheduled Castes and the Scheduled Tribes Act); **Business Ethics/Anti-Corruption Laws** (Prevention of Corruption Act, Companies Act, Foreign Contribution (Regulation) Act); **Competition Law** (Competition (Amendment) Act); **Extended Producer Responsibility (EPR) Laws** (Plastic Waste Management Rules, 2016; Plastic Waste Management (Amendment) Rules, 2022; E-Waste (Management) Rules, 2011).

For operations outside India, third parties are required to comply with the national laws and regulations of the country in which they operate. Additionally, all third parties shall align with global frameworks and standards, such as the United Nations Global Compact, OECD Guidelines, and International Labour Organisation standards, to ensure ethical and sustainable business practices across geographies.

Alignment with Relevant Frameworks and Standards

The Group's Third-Party Code of Conduct aligns with relevant industry best practices, ESG frameworks, and standards. These include the United Nations Global Compact, UN Guiding Principles on Human



Rights, Pharmaceutical Supply Chain Initiative (PSCI) Principals, International Labour Organisation (ILO) and OECD Guidelines.

Roles and Responsibilities

The Group Chief Commercial Officer (CCO) is the designated owner of this policy and is responsible for its execution and ensuring its integration into ACG's operations. The Group CCO will be supported by the Supply Chain Heads of the three core businesses (Capsules, Engineering, and Pharmapack).

Implementation of Policy

The implementation of this policy will be led by the respective procurement teams of each business, in coordination with the Group Sustainability Team and under the oversight of the Group CCO. The implementation of this policy will be carried out in three stages.

1. Stakeholder Sensitisation and Code Sign-Off

The supply chain teams of each business will lead efforts to sensitise all relevant third-party stakeholders to the Code of Conduct. This includes outlining the policy's objectives, expectations, and compliance requirements. Following these engagements, stakeholders will formally sign off on the Code of Conduct, ensuring alignment and shared accountability.

2. Developing Actions Plans

The supply chain teams will work closely with the Group Sustainability Team to design action plans tailored to critical supplier groups. These customised plans will address each group's unique risks, challenges, and opportunities.

3. Monitoring and Supplier Support

The supply chain teams will oversee the ongoing implementation of the action plans by monitoring the adherence to the policy. They will provide hands-on support, including regular assessments, feedback, and capacity-building initiatives, to ensure third-party stakeholders meet the policy's expectations.

Policy Amendments

The policy will be reviewed periodically in collaboration with the respective business Supply Chain Heads, and the Group CCO will consult the Group Sustainability Head, and the Sustainability Committee as needed to ensure alignment with sustainability objectives and organisational goals.

This will ensure the policy remains relevant and consistent with national, global, and local regulations, industry standards, and applicable standards and frameworks.

The Pillars of Our Code

The ACG Group Third Party Code of Conduct is built on the pillars of Sustainability, People, and Good Governance. Hence, all our third parties shall read and confirm their adherence to the Group's Code of Conduct. We expect our third parties to ensure they maintain the required standards to meet the requirements of this policy.

Sustainability

Commitment

The ACG Group requires its third parties to uphold the highest environmental responsibility and sustainability standards.

All third parties shall commit to minimising their impact on the environment. They must ensure they conserve natural resources, promote reuse and recycling, and reduce or eliminate hazardous materials.



All third parties shall comply with applicable environmental laws and regulations, adopt pollution prevention strategies, ensure water conservation and waste management, and prioritise biodiversity protection.

Furthermore, efforts towards reducing greenhouse gas emissions and integrating climate change mitigation efforts into operational practices shall be undertaken.

Emissions, Water, and Waste

ACG expects its third parties to monitor and manage their emissions, waste generation actively, and water usage to minimise environmental harm and promote improvements in operations.

This includes ensuring compliance with local health and regulatory requirements for air emissions, wastewater discharges, and waste disposal.

Third parties are encouraged to adopt practices that prevent harmful impacts on human health and the environment. This may include proper wastewater treatment before release or improving their activities to reduce carbon emissions by increasing renewable power use.

Third parties shall monitor, manage, and mitigate risks associated with environmental impacts.

Efficiency and Energy Use

ACG expects third parties to ensure energy efficiency practices are implemented across their operations and systems are in place to effectively monitor energy efficiency performance.

Responsible Sourcing

ACG expects its third parties to adhere to responsible sourcing practices by conducting due diligence on raw material procurement and striving for enhanced traceability of raw materials where feasible.

Third parties shall prioritise socially ethical and sustainable sourcing, ensuring materials are obtained in a manner that minimises harm to biodiversity, ecosystems, and natural resources. This also includes ensuring materials are not sourced from conflict zones or funded/benefited by groups that exploit communities and the environment.

Reporting of Incidents

Third parties shall notify the ACG Group of any environmental incidents that directly impact ACG's operations. This includes but is not limited to spillages, leaks, non-compliance, etc. These incidents may occur at any point in the value chain, upstream or downstream.

People

Commitment

ACG requires its third parties to uphold the highest social responsibility standards.

All third parties shall commit to ensuring equal and fair employment opportunities and prohibit discrimination and harassment. They shall also ensure that modern slavery in the form of forced labour, child labour, and human trafficking does not take place in any form across their operations.

All third parties shall comply with applicable human rights and labour laws and regulations.

Health and Safety

ACG expects its third parties to strive to implement the highest occupational health and safety standards. This includes compliance with health and safety regulations, providing a safe and conducive work environment, and mitigating health and safety risks.

In addition to this, ACG also expects its third parties to comply with the Group's health and safety policy and report on any incidents pertaining to accidents, injuries, and unsafe practices.

Further, all third parties shall develop systems for regular training and development of their employees and their own third parties to ensure adequate preparation for any unforeseen incidents.



Labour and Human Rights

ACG requires all its third parties to treat its employees and associated partners with dignity and respect and uphold the fundamental labour and human rights principles. This includes the following:

1. Third parties shall adhere to all relevant laws and industry standards regarding minimum wages, overtime compensation, and legally required benefits to ensure fair and acceptable living conditions for their employees and partners.
2. Third parties shall ensure that there is no form of modern slavery in any of their business operations. This also includes any form of forced labour, child labour, human trafficking, or bonded labour.
3. Third parties shall ensure there is no form of harassment, sexual or non-sexual, in their business operations. If such incidents are found to exist, then the third party shall undertake appropriate measures to ensure they are addressed with sensitivity and care and do not occur again.
4. Third parties shall prohibit discrimination based on race, colour, age, pregnancy, gender, sexual orientation, ethnicity, disability, religion, political affiliation, union member, marriage history, etc.
5. Third parties shall ensure that the Freedom of Association and Collective Bargaining principles are respected, and their employees can partake in the same without any consequence or retaliation.

Good Governance

Commitment

ACG requires its third parties to uphold the highest ethical standards when conducting their business.

All third parties shall commit to upholding business ethics, ensuring anti-bribery and no corruption, enabling data protection and privacy measures, and developing robust management systems.

All third parties shall comply with applicable governance laws and regulations.

Business Ethics

ACG requires all its third parties to uphold the principles of business ethics and conduct. This includes the following:

1. Third parties shall conduct business activities fairly and responsibly, ensuring compliance with all relevant anti-trust regulations.
2. Third parties shall not to engage in corruption, bribery, extortion, or embezzlement. Third parties shall not offer or accept bribes or other means to obtain undue or improper advantage. Third parties must uphold fair business standards in advertising, sales, and competition.
3. Third parties shall comply with tax laws and regulations and avoid tax evasion.
4. Third parties will ensure that they and their employees actively avoid any situations where a conflict of interest may arise between them and ACG. If any such situation arises, the third party shall communicate the same to ACG.
5. Third parties shall comply with all laws and regulations related to animal testing and welfare. Testing shall only be carried out if necessary, and in such cases, third parties are to treat animals ethically and compassionately.
6. Third parties shall treat any information ACG provides with confidentiality. This means ensuring safeguards are in place to protect any sensitive information. Third parties should also ensure that any intellectual rights and property provided by ACG is treated with confidentiality and care.
7. Third parties should ensure they are responsible for safely using ACG property and safeguarding it against loss, damage, misuse, or theft.

Data Privacy and Digital Security

ACG requires its third parties to uphold the highest standards when handling data and digital security.

The proper and lawful handling of data, including personal data, is crucial for maintaining trust and ensuring individuals' privacy rights are respected. Therefore, ACG expects its third parties to comply with all relevant data protection laws, regulations, and guidelines and implement appropriate safeguards and security measures to protect personal data.



In the event of a data security breach, third parties shall inform ACG and provide a corrective action plan immediately.

Management Systems

ACG requires all third parties to develop comprehensive management systems to ensure business continuity, enable regular improvements, and ensure compliance with governance laws and regulations. Core to the management systems is the following:

1. Third parties shall ensure adequate risk identification and management processes. This includes a process to identify risks (as outlined in this document) and mitigate them.
2. Third parties shall ensure that all data and performance, as required by the ACG Group and regulations, is documented and stored in a format that is easily accessible.
3. Third parties shall develop and conduct robust training and development programs internally to ensure that the standards of this code are maintained. This includes enabling knowledge transfers, skill development, etc.
4. Third parties shall communicate transparently with ACG on all matters mentioned in this code. Any risk or challenge shall be discussed with ACG if it directly impacts the Group or its business.

Reporting and Monitoring

Third parties shall establish transparent reporting mechanisms to share updates with ACG on their adherence to the code. This includes providing regular updates on key metrics and parameters of against the "Pillars of Our Code".

Training and Development

ACG will provide regular training and development to third parties who require intervention and upskilling with regards to the code.

ACG will provide regular training and development to its internal stakeholders to ensure enforcement and improvements in the code.

Grievances

All violations under this Code of Conduct must be detected and addressed in a timely manner by Third Parties. Concerns or complaints regarding such violations should be reported to the ACG Group Business Ethics Committee, which is responsible for handling these cases. The Corporate Ombudsman and Business Ethics Committee oversee grievance management, ensuring a fair and transparent resolution process. The committee consists of permanent members who can be contacted at businessethics.committee@acg-world.com.

ACG's whistleblowing system safeguards whistleblowers and ensures proportionality in addressing concerns. Reports must include concrete indications of misconduct for appropriate action.

For sustainability related queries you may reach out to us on the following Info.sustainability@acg-world.com.

We look forward to a mutually beneficial partnership with you.

(Nithin Desai)

Authorised Signature

Group Chief Commercial Officer