



## APO Code of Conduct (for suppliers)

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## Preamble

Sustainable development is the English translation of the German term "nachhaltige Entwicklung" ("aufrechterhaltbare/durchhaltbare Entwicklung"). It refers to development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs (abridged definition according to the Brundtland Report).

APO is a company that strives to implement recognized principles in the areas of human rights, employee relations, environmental protection, and anti-corruption in the design of its business processes and corporate strategies.

The APO Code of Conduct for Suppliers and Service Providers is based on proven principles of sustainability:

- # Sustainability is an integral part of APO's business strategy.
- # With the APO Q-SGU policy and the APO Q-SGU program, APO has clearly formulated its position on sustainability.
- # APO is committed to upholding internationally recognized principles in the areas of human rights and working conditions.
- # APO is committed to complying with legal regulations that define ethically and legally impeccable conduct on the part of APO employees.

APO supports these ethical, social, and environmental standards of sustainable development and implements them in the company's daily work processes.

The principles defined in the APO Code of Conduct (for suppliers) form an important part of APO's supplier selection and evaluation process. APO expects its suppliers to implement these standards themselves and also in the upstream supply chain.

APO provides this Code of Conduct to its suppliers and service providers with the aim of strengthening a common understanding of sustainable development.

# Ethics

In order to fulfill their social responsibility, companies must act ethically and with integrity. Ethical requirements include the following aspects:

## Integrity in business transactions

Companies must reject and refrain from engaging in corruption, extortion, embezzlement, misappropriation, and money laundering in any form. Companies may not offer or accept bribes or other illegal incentives (e.g., kickbacks) in business dealings with business partners or public officials. Suppliers and service providers may not offer APO employees gifts or other benefits for personal gain that could be considered bribery. Gifts or hospitality may not be used to influence a business relationship in an unfair manner and may not violate applicable laws or ethical standards.

## Conflicts of interest

Suppliers and service providers must inform APO of any situation that could lead to a conflict of interest, e.g., if APO employees enjoy professional, private, and/or significant financial advantages.

## Creation of channels for reporting unlawful conduct

Companies must promote and establish reporting channels for their employees to submit complaints or report possible unlawful conduct without fear of reprisals, intimidation, or harassment. All reports shall be treated confidentially. Companies must conduct investigations based on the reports and take action if necessary.

If a supplier/service provider or one of its employees believes at any time that an APO employee has violated these principles, the supplier or its employee should raise its concerns with APO management.

## Fair competition

Companies must compete fairly and comply with applicable antitrust laws.

## Protection of confidential information & intellectual property rights

Companies must use confidential information appropriately and protect it accordingly. Companies must ensure that sensitive data and the valid intellectual property rights of their own employees and business partners are protected. Suppliers and service providers may not use the name or trademarks of APO or our subsidiaries or products for advertising purposes without the prior written consent of APO.

## Confidentiality and protection of data

Information systems of suppliers and service providers that contain confidential information or data belonging to APO must be managed appropriately and protected against unauthorized access and unauthorized use, disclosure, alteration, or destruction of the data. Suppliers may only collect personal information for legitimate business purposes, use it in a legal, transparent, and secure manner, and disclose it only to authorized persons. They must protect the information in accordance with security regulations, retain it only for as long as necessary, and require third parties with access to personal information to protect it.

## Conflict minerals

Suppliers and service providers must ensure that no products containing metals whose source minerals or derivatives originate from a conflict region are delivered to APO, where they directly or indirectly contribute to the financing or support of armed groups or cause or promote human rights violations.

# Treatment of employees and other persons

Employers must respect human rights in their companies and treat their employees fairly and respectfully. This includes the following aspects:

## Prevention of child labor

APO rejects child labor in our supply chain. Suppliers and service providers must avoid any form of child labor in their companies. The definition of child labor is based on the core labor standards of the International Labor Organization (ILO) and the principles of the UNGC. If local law stipulates a higher legal minimum age for workers or a longer period of compulsory schooling, the higher age applies.

## Freedom of association

Suppliers and service providers must maintain open and constructive communication with their employees and employee representatives. In accordance with local laws, suppliers and service providers must respect the right of employees to freely associate, form and join trade unions, appoint employee representatives, form a works council, and engage in collective bargaining. Suppliers and service providers must not discriminate against employees who act as employee representatives so that they can perform their duties without fear of reprisals or discrimination.

## Working hours, wages, and other benefits

Suppliers and service providers must comply with the applicable legal regulations and ILO standards on working hours. Remuneration must be paid to employees regularly, punctually, and in full in accordance with applicable laws and must be in line with applicable national laws on remuneration. Suppliers and service providers are expected to offer their employees fair and competitive remuneration and other benefits and to promote equal pay for work of equal value. It is recommended that suppliers and service providers offer their employees appropriate training and development opportunities.

## Diversity and inclusion

Equal treatment of all employees must be a fundamental principle. Discriminatory behavior refers to irrelevant personal characteristics such as age, disability, ethnic origin, marital status, gender, gender expression and identity, genetic information, national origin, physical characteristics, political affiliation, pregnancy, religion, social origin, sexual orientation, union membership, or any other unlawful criterion.

APO encourages its suppliers and service providers to create an inclusive and supportive work environment by promoting diversity in their hiring practices. APO also encourages its suppliers and service providers to maintain an active supplier diversity program that supports working with companies with diverse ownership structures.

## Fair treatment

Employers must treat their employees fairly, free from sexual harassment, sexual abuse, mental or physical coercion, or verbal abuse, and without the threat of such treatment. Employees are free to decide when they wish to leave their employer, subject to the statutory notice period. They are paid punctually and in full for the work they have done before leaving the company in accordance with applicable laws.

# Health & Safety, Environmental Protection

They must take precautions to ensure the health and safety of their employees, customers, visitors, contractors, and other persons who may be affected by their activities. They must also act in an environmentally conscious manner. This includes the following aspects:

## Health and safety at work

Employees must be adequately protected from hazards in the workplace. Physically demanding activities and conditions in the workplace, as well as risks arising from the use of the infrastructure available in the workplace, must be managed in such a way that employees are protected from hazards. Health and safety risks in the workplace must be continuously reduced in order to prevent accidents and occupational illnesses as far as possible. To this end, regular checks, safe working procedures, adequate maintenance, and the necessary technical protective measures must be in place. In addition, suitable protective clothing must be provided. Safety information about identified risks in the workplace or hazardous substances must be made available to employees for training and protection purposes.

## Product safety

Companies must comply with product safety regulations, label their products properly, and communicate the requirements for handling the products. They must provide the parties involved with the applicable documentation containing all necessary safety-related information on all hazardous substances, if required. This includes product information, safety data sheets, notification and approval confirmations, uses, and exposure scenarios. Companies should proactively and transparently share information about the health, safety, and environmental aspects of their products with all parties involved.

## Waste and emissions

Safety and compliance with regulations must be ensured in the handling, storage, transport, disposal, recycling, and reuse of waste, exhaust gases, and wastewater. Activities that may have a negative impact on human health or the environment must be handled, measured, and controlled in an appropriate manner. The release of hazardous substances must be continuously reduced.

## Resource and climate protection

Natural resources (e.g., water, energy sources, raw materials) must be used sparingly. Negative impacts on the environment and climate caused within the supply chain must be prevented or at least reduced at the point of origin. To this end, the development and use of environmentally and climate-friendly products, processes, and technologies should be promoted. A continuous ecological improvement process must be ensured. This includes reducing raw material and energy consumption, emissions, wastewater, noise emissions, waste, and dependence on natural resources and hazardous substances – with the help of clear goals and improvement strategies.

# Quality

APO's suppliers and service providers must provide high-quality, safe, and effective goods and services that comply with applicable laws and regulations. This includes the following aspects:

## Quality requirements

Suppliers and service providers must meet generally accepted quality standards or contractually agreed quality requirements in order to provide goods and services that consistently meet the needs of APO and its customers, deliver the promised performance, and are safe for their intended use. Suppliers and service providers must inform APO of any changes to the manufacturing or delivery process that may affect the specifications of goods delivered or services provided.

# Governance and management systems

Effective management systems and a governance structure should be implemented to support compliance with applicable laws in their companies and promote continuous improvement in relation to the expectations set out in this Code of Conduct. This includes the following aspects:

## Legal and other requirements

All applicable international, national, and local laws and regulations, contractual agreements, and internationally recognized standards must be complied with. Companies must also align their practices with generally accepted industry standards, obtain and maintain all applicable permits, certificates, licenses, and approvals, and conduct their activities at all times in accordance with the restrictions and requirements of the permits.

## Obligation and responsibility

APO's suppliers and service providers must comply with the principles set out in this Code of Conduct by incorporating all applicable principles into their policies and procedures.

## Communication of sustainability principles in the supply chain

APO's suppliers and service providers must also communicate the principles set out in this Code of Conduct to their upstream supply chain.

## Training

APO suppliers and service providers should develop, implement, and maintain appropriate training programs to ensure that their employees have a proper understanding of the principles of this Code of Conduct that apply to them, as well as applicable laws, regulations, and generally accepted standards.

# Glossary

The glossary explains or defines terms, organizations, or concepts used in this APO Code of Conduct.

## Hazardous substances

// As defined by the Globally Harmonized System of Classification and Labelling of Chemicals (GHS) established by the UN Economic Commission for Europe (UNECE).

## International Labor Organization (ILO)

// The ILO is a UN agency that brings together governments, employers, and workers from UN member states to set labor standards, develop guidelines, and design programs that promote decent working conditions for all employees. [URL: [www.ilo.org](http://www.ilo.org)]

## Conflict minerals

// According to the current definition, conflict minerals include the metals tantalum, tin, and tungsten, which are derivatives of the minerals cassiterite, columbite-tantalite, and wolframite, as well as gold. They are also referred to as "3TG." [URL: [www.responsiblemineralsinitiative.org](http://www.responsiblemineralsinitiative.org)]

## Suppliers

// Suppliers and service providers are all third parties who supply goods and services to APO, as well as the representatives or subcontractors of these third parties.

## Human trafficking

// Human trafficking involves the recruitment, harboring, or transportation of persons for the purpose of exploitation through the use of force, fraud, or coercion, and forcing these persons to perform involuntary labor.

## Employees

// APO defines employees as all personnel employed by or engaged by a supplier or service provider.

## Sustainability standards and certifications

// Voluntary guidelines and standards, usually verified by third parties, relating to environmental, social, ethical, and safety aspects, which companies use to demonstrate their own sustainability or the sustainability of their products in specific areas. Examples include the Forest Stewardship Council (FSC), the Roundtable on Sustainable Palm Oil (RSPO), the Responsible Minerals Initiative, the Rainforest Alliance, etc.

## Personal information

// Personal data is any information relating to an identified or identifiable natural person.

## Pharmaceutical Supply Chain Initiative (PSCI)

// A non-profit business association. Its members are pharmaceutical or healthcare companies with a vision to introduce and promote responsible practices in order to continuously improve the social, health, safety, and environmental impacts of their supply chains. [URL: [www.pscinitiative.org](http://www.pscinitiative.org)]

## Together for Sustainability (TfS) Initiative

// A non-profit business association. Its members are chemical companies. TfS aims to establish an industry standard for sustainable supply chains, has developed a standard method for assessing and improving the sustainability performance of suppliers and service providers, and shares assessments and audits with all members. [URL: [www.tfs-initiative.com](http://www.tfs-initiative.com)]

## United Nations Global Compact (UNGC)

// A voluntary initiative led by the United Nations (UN) based on the commitment of CEOs to apply universal sustainability principles (also known as "The Ten Principles of the UN Global Compact") and to support UN goals such as the Sustainable Development Goals through their own actions. [URL: [www.unglobalcompact.org](http://www.unglobalcompact.org)]

# References

## 1) APO-specific sources

- # APO Q-EHS Policy
- # APO Q-EHS Program
- # APO External Company Regulations

## 2) External sources

- // Circular Economy  
<https://www.ellenmacarthurfoundation.org/>
- // Convention on Biological Diversity  
<https://www.cbd.int/>
- // Declaration of Helsinki  
<https://www.wma.net/what-we-do/medical-ethics/declaration-of-helsinki/>
- // International Labor Standards (ILO)  
<http://www.ilo.org/public/english/standards/norm/whatare/fundam/index.htm.ilo.org>
- // OECD Guidelines for Multinational Enterprises  
<http://www.oecd.org>
- // OECD Guiding Principles for Chemical Accident, Prevention, Preparedness and Response  
<http://www.oecd.org/env/ehs/chemical-accidents/Guiding-principles-chemical-accident.pdf>
- // Pharmaceutical Supply Chain Initiative  
<http://www.pharmaceuticalsupplychain.org>
- // Responsible Care Global Charter  
<https://www.icca-chem.org/responsible-care-global-charter/>
- // Together for Sustainability  
<http://www.tfs-initiative.com>
- // United Nations Global Compact  
<http://www.unglobalcompact.org>
- // United Nations Guiding Principles  
[https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR\\_EN.pdf](https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf)
- // Universal Declaration on Human Rights  
<http://www.un.org/Overview/rights.html>

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