

# SUPPLIER CODE OF CONDUCT

***SOFIA MED***

---



## CONTENTS

<b>Introduction</b>	<b>3</b>
<b>Application of the Code</b>	<b>4</b>
<b>General Guidelines</b>	<b>4</b>
<b>1. Business ethics and anti-corruption</b>	<b>5</b>
<b>2. Labour and human rights</b>	<b>6</b>
<b>3. Workplace health and safety</b>	<b>7</b>
<b>4. Environmental protection</b>	<b>8</b>
<b>Supplier acknowledgment</b>	<b>8</b>



## INTRODUCTION

This Code of Conduct (the "Supplier Code of Conduct") defines the basic requirements that Sofia Med ("Sofia Med") place on their suppliers of goods and services and their subcontractors (the "Suppliers" and each of them a "Supplier") concerning their responsibility towards their stakeholders and the environment. Sofia Med not only delivers high quality products and services but commits to conduct its business activities in compliance with applicable laws and regulations and to be guided by honesty, integrity and accountability.

The Sustainability Policy of Sofia Med reflects our commitment and enhances our strategy for managing our business in accordance with the principles of sustainable development.

### Our Business Principles

*Technological leadership & innovation*

*Integrity - Corporate citizenship*

*Team work*

*Commitment*

*Meritocracy*

*Focus on results*

We conduct our business activities under the principles of our company Code of Conduct and Business Ethics and Sustainability Policy. We aim at engaging our supply chain and we encourage our Suppliers to respect, follow and adopt it. Our customers expect similar behaviour from all parties we deal with, especially from our Suppliers.

Our Code of Conduct and Business Ethics contains fundamental principles, rules and core values which form the framework for our corporate actions.

Our Supplier Code of Conduct and our Business Code of Conduct provide an excellent foundation for building up the trust that plays a key role in our sustainable business success.

Our Supplier Code of Conduct focuses on promoting ethics, transparency and professionalism throughout our supply chain. The Code considers the international standards and initiatives ISO 26000, SA 8000, AA1000, ILO International Labour Standards, ISO 14001, OHSAS 18001, ISO 9001 and the Ten (10) principles of the UN Global Compact and the OECD guidelines for multinational enterprises.

Sofia Med reserves the right to reasonably change the requirements of this Supplier Code of Conduct due to changes to the Company's Code of Conduct and Business Ethics. In such an event Sofia Med will inform its Suppliers and expects them to accept those reasonable changes.

***We consider it of utmost importance that our Suppliers comply with the laws, rules and governmental regulations that apply to their businesses.***

## APPLICATION OF THE CODE

The Sofia Med Supplier Code of Conduct applies to all types of suppliers (i.e. subcontractors, independent consultants, etc.) with whom Sofia Med engages with, regardless the nature of the supplies – products or services – as well as their location of operation. Although the Code applies only to Sofia Med's direct Suppliers, we encourage them to invite their own suppliers and subcontractors to comply with its terms.

*Although the provisions of this Code are guidelines, it should be noted that any violation of this Code may affect the Supplier's business relationship with the Company.*

The provisions of this Code are in addition to, and not in lieu of, the provisions of any legal agreement or contract between a Supplier and Sofia Med. This Code does not create any third-party beneficiary rights or benefits for suppliers, subcontractors, their respective employees or any other party.

## GENERAL GUIDELINES

This Code of Conduct is a voluntary code intended to emphasise the interest of Sofia Med in incorporating fair, ethical and sustainability principles throughout its supply chain.

Sofia Med will not engage in any form of unlawful or unethical conduct.

- The Suppliers are expected to comply with the provisions addressed in this Code of Conduct and must use them as general guidelines when conducting their business, even if these provisions are higher than the legislative requirements. Sofia Med sets the standards of this Code of Conduct as the minimum and encourages its Suppliers to exceed them, by continually improving their Corporate Responsibility and Sustainability performance.
- The Suppliers are responsible to inform their employees of the Sofia Med Supplier Code of Conduct and to ensure that they understand the requirements set forth in it.
- The Suppliers are invited to maintain objective evidence (e.g. documents, archives, records, licenses, etc.), in order to be able to prove compliance with this Supplier Code of Conduct. Certification of relevant Management Systems is an excellent proof of compliance with this Conduct.
- To verify Supplier's compliance, we reserve the right to audit and inspect Supplier's operations and facilities, at our own cost and upon reasonable notice, with or without support of a third party.
- The Suppliers are encouraged to report their Sustainability actions to Sofia Med (e.g. via their Sustainability / Corporate Responsibility Report).

## 1. BUSINESS ETHICS AND ANTI-CORRUPTION

*We have set high standards of ethical conduct in all of our business activities; Suppliers are expected to conduct their business in an ethical and transparent manner and to act with integrity.*

### **Business integrity**

Sofia Med expects from its Suppliers to adhere to the highest standard of ethical conduct in every aspect of their businesses, including relationships, practices, sourcing, and operations, and to not engage in any form of corrupt practices, including, but not limited to, extortion, fraud, bribery and money laundering. If corruption is found within its business, the Supplier is expected to report any suspected case to the Company.

### **Confidentiality**

Sofia Med expects from its Suppliers to maintain all information regarding Sofia Med business, commercial and financial plans secure and safe. It must be treated as confidential and be protected against unauthorized access. Means to safeguard customer information should be available.

### **Improper actions**

Sofia Med expects that its Suppliers avoid behaviour or actions that may influence, or appear to influence, Sofia Med's purchasing decisions. Such behaviours or actions, among others, include: gifts or entertainment of excessive value and/or without business purpose, offer of cash or cash equivalent, offer of loan, offer of employment to Sofia Med's employees or to their relatives.

### **Fair business and competition**

The Suppliers are required to conduct their business activities in accordance with all applicable antitrust, competition and fair trade practice laws. These antitrust laws prohibit, among other things, price fixing, market and customer allocation, group boycotts/refusals to deal, unlawful tying, unlawful exclusivity agreements, monopolization, unlawful termination and, under certain circumstances, attempts to engage in these types of activities.

### **Information disclosure**

The Suppliers are required to accurately record and disclose information regarding their business activities, structure, financial status, and performance in accordance with applicable laws and regulations as well as prevailing industry business practices.

## 2. LABOUR AND HUMAN RIGHTS

*We respect and protect internationally recognized human rights; Suppliers are expected to treat all employees with respect and dignity, avoiding any potential human rights abuses.*

### **Equal opportunities**

Sofia Med expects from its Suppliers to provide equality of opportunity and treatment and to not apply any form of discrimination in hiring and employment practices on grounds of race, colour, religion, gender, sexual orientation, age, physical ability, health condition, political opinion, nationality, social or ethnic origin, union membership or marital status. Suppliers are required to employ personnel on the basis of their ability to do the job, not on the basis of their personal characteristics or beliefs.

### **Forced or compulsory labour**

Sofia Med expects from its Suppliers to reject any form of forced or compulsory labour. This includes all services or work performed under the threat of punishment or for the performance of which the person in question has not volunteered of his/her own free will. All work performed in the Supplier's business activities must be voluntary.

### **Harassment and abuse**

Suppliers are required to treat employees with dignity and respect and will not engage in or permit corporal punishment, threats of violence, or other forms of harassment whether based on gender, race, colour, religion, ethnicity, age, sexual orientation, national origin, disability, or any other legally protected characteristic.

### **Child labour**

Sofia Med expects from its Suppliers to prohibit child labour. Suppliers are required to employ only workers who meet the applicable minimum legal age requirement. Suppliers are encouraged to maintain the age of 18 as a minimum level of employment, and under no circumstance shall the Supplier employ any person under the age of 16, even if local law permits it.

### **Freedom of association and collective bargaining**

Sofia Med expects from its Suppliers to recognize and respect the right of employees to join or not join labour unions, associations or any other lawful organization. Suppliers are expected to comply with all applicable local and national laws pertaining to freedom of association and collective bargaining.

### **Wages, benefits and working hours**

Sofia Med expects from its Suppliers to comply with all wage and hour laws and regulations. Wages and benefits should at least meet industry or national legal standards. As a minimum, the wages paid to Suppliers' employees should meet their basic needs. Sofia Med expects its Suppliers to follow all applicable laws and regulations with respect to working hours and days of rest, and all overtime must be voluntary.

### **Conflict minerals**

For Sofia Med, it is important that all its suppliers take measures to ensure that no minerals / raw materials are being used (manufactured or procured) which are considered conflict raw materials (i.e.: tantalum, tin, tungsten and gold or wolframite, gold-ores, cassiterite, columbite-tantalite mined in countries such as Angola, Burundi, the Central African Republic, Democratic Republic of the Congo, the Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda and Zambia that contribute to armed conflict or human rights abuses. Upon request, Suppliers shall provide country of origin information for these minerals.

### 3. WORKPLACE HEALTH AND SAFETY

*Our top priority is the health and safety of our employees and associates; we expect from our Suppliers to provide and maintain a safe work environment in compliance with all applicable laws and regulations and to integrate sound health & safety management practices into their business.*

#### **On-site Policy**

While Suppliers are on-site at a Sofia Med plant or at a Sofia Med customer location on behalf of Sofia Med, Suppliers have to comply with Sofia Med's Health and Safety Policy and any site-specific requirements.

#### **Hazards prevention**

Suppliers are encouraged to record and maintain an accessible list of hazardous substances by all personnel. In addition they are encouraged to identify, evaluate, and manage occupational health and safety hazards through a prioritized process of hazard elimination, engineering controls, and/or administrative controls, and are required to provide their personnel with all appropriate personal protective equipment.

#### **Monitoring**

Suppliers are encouraged to maintain a system for all personnel to report health and safety incidents and near-misses, as well as a system to investigate, track, and manage such reports. Suppliers are required to implement corrective action plans to mitigate risks, provide necessary medical treatment, and facilitate workers' return to work.

#### **Maintenance, emergency preparedness and response**

Suppliers are required to operate and maintain all their operations in a safe manner. Suppliers shall identify and assess possible emergency situations. For each situation, Suppliers shall develop and implement emergency plans and response procedures that will minimize harm to life, environment, and property.

*Suppliers are encouraged to set up and apply an Occupational Health and Safety Management System (OHSAS 18001 international standard or other equivalent management system) and ensure that their employees are educated in health and safety issues.*



**SUPPLIER ACKNOWLEDGEMENT**  
*(turn overleaf)*

## 4. ENVIRONMENTAL PROTECTION

*We are committed to protecting the environment; suppliers are expected to operate in an environmentally responsible and efficient manner.*

### Licenses and permissions

Suppliers are required to maintain all required environmental permits (e.g. discharge monitoring) approvals and registrations and to follow the operational and reporting requirements of such permits.

### Pollution prevention, resource consumption and waste management

Sofia Med expects from its Suppliers to make continuous improvements with respect to environmental emissions as well as energy and resource management. The Suppliers shall optimise its consumption of natural resources, including energy and water. Suppliers shall implement and demonstrate sound measures to prevent pollution and minimise generation of solid waste, wastewater and air emissions.

### Product content restrictions

Suppliers are expected to adhere to all applicable laws, regulations regarding prohibition or restriction of specific substances, including labeling for recycling and disposal.

### Global environmental issues

Sofia Med encourages its Suppliers to undertake measures to combat global environmental issues such as climate change, depletion of the ozone layer, acid rain, water scarcity, loss of biodiversity, deforestation, desertification etc.

*Suppliers are encouraged to set up and apply an Environmental Management System (ISO 14001 international standard or other equivalent management system) and ensure that employees are educated in environmental protection issues.*



## SUPPLIER ACKNOWLEDGEMENT

I, the undersigned, acknowledge on behalf of the company .....  
that I have read and I understand the policies and principles described in the Supplier Code of Conduct of Sofia Med .

**Company name:**

**Signer's name and title:**

**Signature and stamp:**

**Date:**

*Please fill in the above and send a scanned copy of the supplier acknowledgment note to e-mail:  
procurement@sofiamed.bg*



# ***SOFIA MED***

---

4 Dimitar Peshev str.,  
1528 Sofia, BULGARIA

tel: +359 2 9606 209  
fax: +359 2 9606 393

[info@sofiamed.bg](mailto:info@sofiamed.bg)  
[www.sofiamed.bg](http://www.sofiamed.bg)

**SOFIA MED SA**  
**Version 1, Feb 2018**