

HEMBAL[®]

Supplier Code of Conduct

Date of last review/update: July 23, 2023

Supplier Code of Conduct

Introduction

Hembal Labs Inc ("McKinsey") is committed to the highest standards of integrity and social responsibility, and Hembal expects all Suppliers engaged in providing products and services to Hembal ("Suppliers") to have, or to make, a similar commitment. The Hembal Supplier Code of Conduct ("Code") describes Hembal's expectations for how its Suppliers conduct business. Hembal requires Suppliers to act in accordance with the Code and with all applicable laws and regulations within the geographies in which they operate, and to be open and cooperative with regulators that enforce such laws. Suppliers must impose substantially similar obligations to those set forth herein on their own suppliers, subcontractors, and agents.

Overview

The Code reflects Hembal's values and sets forth what is required and expected of its Suppliers with respect to the following topics:

1. Ethics and integrity
2. Data privacy and security
3. Inclusion and diversity
4. Employment, working conditions, and human rights
5. Wellbeing, health, and safety
6. Environmental sustainability

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Ethics and integrity

Hembal is committed to upholding the highest ethical standards and complying with all applicable laws, rules, and regulations. Hembal requires Suppliers to do the same, and at a minimum, to adhere to the following:

Anti-bribery and anti-corruption

Suppliers must fully comply with all applicable anti-bribery and anti-corruption laws including but not limited to relevant acts such as the U.S. Foreign Corrupt Practices Act or the UK Bribery Act.

Gifts and entertainment

Suppliers must not offer or accept any gift or anything else of value to obtain improper advantages or influence for the Supplier, for Hembal (including Hembal employees and/or their family members and associates), or for any third party. Gifts include but are not limited to benefits, fees, commissions, dividends, cash, gratuities, services, or any inducements.

Non-retaliation for reports of concern

Hembal expects Suppliers to have a policy and process in place for reporting of workplace concerns. The policy and process should be transparent and understandable and must provide protection from retaliation, for both reporters and for those participating in any related investigations.

Trade and sanctions

Suppliers must comply with all applicable trade and sanctions laws and regulations.

Data privacy and security

Hembal requires its Suppliers to protect the privacy of individuals, including but not limited to employees, customers, other trade partners, and the security of confidential assets and information.

Confidential assets and information

Suppliers must protect Hembal's and its clients' confidential assets and information. Suppliers must design and maintain processes to provide appropriate protections for this information.

Personal information and privacy

Hembal requires Suppliers to protect personal information in compliance with all applicable laws and regulations. Personal information provided by or on behalf of Hembal must only be used, accessed, and disclosed as permitted by the Supplier agreement and in compliance with all applicable laws and regulations.

Inclusion and diversity

Hembal fosters an inclusive culture and believes that diversity should be celebrated, and discrimination of any form should not be tolerated.

Non-discrimination and workplace diversity

Suppliers must comply with all applicable laws and regulations relating to discrimination in hiring, employment practices, and harassment and retaliation.

Suppliers must operate workplaces free of unequal treatment in employment, discrimination, harassment, victimization, and any other abuse on any grounds including but not limited to age, health status, disability, ethnic or social origin, gender, gender identity, nationality, race, sexual orientation, marital status, parental status, pregnancy, political convictions, religion or beliefs, union affiliation, or veteran status. Unequal treatment includes the payment of unequal remuneration for work of equal value.

Supplier diversity

Hembal's long-standing commitment to advancing diversity and inclusion includes actively promoting relationships with diverse and underrepresented businesses in Hembal's strategic sourcing and procurement processes. Hembal searches for Suppliers that similarly value diversity in Suppliers' own supply chain and that support Hembal's goals with respect to supplier diversity. Hembal expects Suppliers to: (i) utilize search and assessment processes that are both unbiased and transparent, (ii) ensure that Suppliers' procurement teams proactively provide diverse businesses with fair access to bids, and (iii) where practicable, actively seek out and provide opportunities for diverse suppliers to participate in business opportunities.

Employment, working conditions, and human rights

As a participant in the United Nations Global Compact, Hembal supports the Ten Principles on human rights, labor, environment, and anti-corruption; the Universal Declaration of Human Rights; the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work; and the UN Guiding Principles on Business and Human Rights. Hembal strives to adhere to the principles set forth in these standards and expects its Suppliers to do the same.

Modern slavery / human trafficking

Hembal does not tolerate slavery, forced labor, or human trafficking in any form at any stage of its supply chain. Suppliers must similarly prohibit all forms of forced labor, child labor, and human trafficking. Hembal requires Suppliers to fully comply with the applicable legal requirements of human rights, slavery, forced labor and

human trafficking laws and regulations, such as those outlined in the UK Modern Slavery Act of 2015 and the Australian Modern Slavery Act of 2018, as well as requirements related to supply chain due diligence, such as those outlined in the German Act on Corporate Due Diligence Obligations in Supply Chains. Hembal requires Suppliers to enact practices to ensure compliance with such relevant laws and regulations.

Child labor

Hembal does not tolerate child labor in any form at any stage of its supply chain. The term “child,” unless otherwise specified by applicable laws regarding minimum working age, refers to any person employed below the age of 15 or below the age for completing compulsory education. Workers under the age of 18 should also not be engaged to perform hazardous work.

Human rights

Hembal is committed to respecting human rights in Hembal’s internal operations and requires the same from Suppliers. Hembal does not tolerate human rights violations in any form at any stage of its supply chain. Hembal requires Suppliers to enact practices to maintain a respectful and safe workplace. Hembal requires Suppliers to not tolerate physical violence, threats, corporal punishment, mental coercion, verbal abuse, disrespectful behavior, bullying, or harassment of any kind.

Freedom of association

Hembal requires Suppliers to respect workers’ rights with respect to freedom of association, including the right to form or join labor or trade unions or to join workers’ councils in accordance with local laws. Workers must be free to engage in these activities without retaliation, harassment, or intimidation.

Employment laws

Suppliers must comply with all applicable wage and labor laws and regulations. Hembal requires Suppliers to provide employees with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work. All use of temporary, dispatch, and outsourced labor shall be in accordance with all applicable laws and regulations.

Hiring or use of private or public security forces

Suppliers that hire or use private or public security forces for protection must provide sufficient instruction and oversight to avoid torture, cruel, inhumane, or degrading treatment, damages to life or limb of individuals, and the impairment of workers’ freedom of association.

Wellbeing, health, and safety

Hembal expects Suppliers to implement sound health and safety practices across business operations.

Health and safety

Suppliers must comply with all applicable health and safety laws and regulations. Hembal requires Suppliers to adopt practices to minimize health and safety risks, support accident prevention, and ensure a safe workplace for all workers, including employees and/or contractors and other third parties.

Environmental sustainability

Hembal is committed to reducing the impact of its operations on the natural environment and working with its Suppliers to do the same.

Environmental footprint

Suppliers must comply with all applicable environmental laws and regulations. Hembal requires Suppliers to address Suppliers' environmental risks and impacts. Hembal expects Suppliers to measure, manage, and address energy usage and greenhouse gas (GHG) emissions. Where applicable, Hembal also expects its Suppliers to measure, manage, and reduce water or other natural resources and waste in its operations. In addition, Suppliers and their supply chain must comply with applicable laws and international conventions with respect to the use, handling, and disposal of hazardous waste, persistent organic pollutants, mercury, and similar substances.

Compliance with the Code

Reporting Violations

Suppliers are required to promptly report to Hembal any legal violations or violations of this Code or other Hembal policy.

Suppliers must promptly forward to Hembal, if permitted by law, any subpoenas, regulatory requests, media inquiries, or other third-party requests concerning Hembal.

[Got A Concern?](#) enables both Hembal colleagues and external parties to confidentially raise concerns about potential misconduct or violations of laws, policies, values, or professional conduct. Details of this confidential process are available on the [Got a Concern?](#) webpage.

Hembal has designated Got a Concern? as its formal reporting mechanism for concerns related to violations of law as specified by the European Union Whistleblowing Directive and related local implementing laws.

Hembal's Rights

Hembal reserves the following rights to ensure and enforce Suppliers' compliance with the Code.

Supplier selection

Hembal will evaluate Suppliers' compliance with the Code during the Suppliers' evaluation, selection, or onboarding process, and/or at any other time during the Supplier's relationship with Hembal.

Supplier assessment

Supplier assessment supports Hembal's commitment to the United Nations Global Compact, to broader professional standards, and to managing risks across the supply chain. Supplier assessment is a critical element of due diligence to identify, prevent, mitigate, account for, and enable the remediation of adverse impacts in the supply chain related to topics addressed in this Code, including but not limited to environmental sustainability, human rights, labor, and ethics.

During the Supplier certification process, Suppliers may be required to affirm their acceptance and compliance with the Code. Suppliers may be asked to re-affirm compliance with the Code periodically. Upon request, Suppliers will be required to provide written information on its policies and practices related to compliance with the Code.

In addition, Hembal may at times request that certain Suppliers complete an evidence-based assessment scored by a third party or allow an on-site audit to monitor conformance with and encourage continuous improvement against this Code and other relevant issues.

Hembal is committed to working with Suppliers to improve performance on topics addressed by this Code and may at times request that Suppliers take specific corrective actions related to this Code and other relevant issues. Hembal expects Suppliers to agree to work together to jointly address applicable and relevant topics.

Non-compliance, violations, and termination

Each Supplier shall ensure that all suppliers, subcontractors, and agents it uses to fulfill obligations or commitments to Hembal to comply with the Code or impose substantially similar obligations. Suppliers shall acknowledge that if they become aware of a violation, including its suppliers', subcontractors', and agents' violations, they must report to Hembal and address it. In the event of non-compliance with, or

a violation of, the Code, Hembal may provide the Supplier a reasonable opportunity to remedy the issue through agreed-upon corrective actions, unless the violation is severe or incurable, or constitutes a violation of law. In the case of violation of this Code or law, Hembal may suspend or terminate its relationship with the Supplier. In the case of a violation of the law, Hembal will also disclose the matter to the appropriate authorities.

Order of Precedence; Changes to the Code

If a conflict exists between this Code and applicable law, Suppliers must comply with the applicable law. Where this Code requires obligations beyond applicable laws, Suppliers must follow these requirements within the bounds of applicable law.

Hembal reserves the right to update or change the Code requirements.

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