

Praxair Policy Conformance with the Pharmaceutical Industry Principles for Responsible Supply Chain Management

Praxair, Inc. provides this table for interested external parties, including customers and investors, to show how Praxair’s policies address the issues of concern outlined in the Pharmaceutical Industry Principles for Responsible Supply Chain Management (“the Principles”). This document is provided solely for illustrative purposes. It is not intended to create, nor does it create, any legally binding obligations on, or rights for the benefit of, Praxair or any of its affiliates. It does not provide a comprehensive overview of Praxair’s policies and procedures.

The Pharmaceutical Industry Principles are provided in full in the left hand column. Endnotes are as referenced in the [Pharmaceutical Industry Principles for Responsible Supply Chain Management \(2015\)](#). In the right hand column, Praxair provides reference text from its relevant corporate policies, and/or a hyperlink to the full text of the relevant policy. At Praxair, we expect the same level of commitment and conduct from our suppliers that we expect from our employees. All of our business dealings must be based on fairness, honesty, lawfulness, safety, environmental stewardship and social consciousness. As a Praxair supplier, you must also ensure compliance with our contractual agreements, [Standards of Business Integrity](#) & Ethics Policy, and supplier expectations. Other areas of concern in the Principles are addressed in Praxair’s normal operations and in its *Supplier Expectations, Human Rights Policy, Standards of Business Integrity, Safety, Health and Environmental Policy*, commitment to *Responsible Care® Management System* and *Guiding Principles and Responsible Animal Testing Policy*.

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| INTRODUCTION | |
| <p>This document outlines the Pharmaceutical Industry Principles for Responsible Supply Chain Management for ethics, labor, health and safety, environment and related management systems. The Principles may be voluntarily supported by any business in the pharmaceutical industry.</p> <p>Companies supporting the Principles:</p> <ul style="list-style-type: none"> • will integrate and apply these Principles in a manner consistent with their own supplier programs. • believe that society and business are best served by responsible business behaviors and practices. Fundamental to this belief is the understanding that a business must, at a minimum, operate in full compliance with all applicable laws, rules and regulations. • are aware of differences in culture and the challenges associated with interpreting and applying these Principles globally. While companies supporting the Principles believe that what is expected is universal, it is understood that the methods for meeting these expectations may be different and must be consistent with the laws, values and cultural expectations of the different societies of the world. • believe the Principles are best implemented through a continual improvement approach that advances supplier performance over time | <p>Praxair Supplier Expectations</p> <p>At Praxair, we expect the same level of commitment and conduct from our suppliers that we expect from our employees. All of our business dealings must be based on fairness, honesty, lawfulness, safety, environmental stewardship and social consciousness. As a Praxair supplier, you must also ensure compliance with our contractual agreements, Business Integrity & Ethics Policy, and supplier expectations.</p> |
| LABOR | |

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| <p>Suppliers shall be committed to uphold the human rights of workers and to treat them with dignity and respect. The Labor elements include:</p> | <p>Praxair Supplier Expectations “Global Reach and Human Rights: We are committed to the recognition and safeguarding of human rights in all the countries in which we operate. Praxair’s Human Rights Policy is guided by the Universal Declaration of Human Rights (UDHR) and reflective of our Compliance with Laws policy, our Standards of Business Integrity, our Harassment Policy and our Safety, Health and Environmental Policy. At the same time we respect the sovereignty of nations throughout the world and affirm their primary responsibility to protect their citizens’ human rights.”</p> |
| <p>1) Freely Chosen Employment Suppliers shall not use forced, bonded or indentured labor or involuntary prison labor.</p> | <p>Praxair Supplier Expectations “We will seek to do business with partners - customers, suppliers and contractors - who share the same commitment to human rights that we have, specifically in relation to: The Right to Work.” Definition of “The Right to Work” is provided in Human Rights policy: “All people have the right to be considered for appropriate work, and Praxair will comply with applicable laws and rules, and relevant industry practice, governing the hours of work for our employees.” Praxair’s Combatting Trafficking in Persons Policy notes: “Consistent with the zero tolerance policy of the United States Government regarding trafficking in persons, neither Praxair nor its employees will, in the performance of any work, including but not limited to covered government contracts: Engage in severe forms of trafficking in persons; Procure commercial sex acts; or Use forced labor.”</p> |
| <p>2) Child Labor and Young Workers Suppliers shall not use child labor. The employment of young workers below the age of 18 shall only occur in non hazardous work and when young workers are above a country’s legal age for employment or the age established for completing compulsory education.</p> | <p>Praxair Supplier Expectations “We will seek to do business with partners - customers, suppliers and contractors - who share the same commitment to human rights that we have, specifically in relation to: Child or Forced Labor.” Human Rights policy Provides definition of “Child or Forced Labor” : Praxair opposes the use of all forms of child, compulsory or forced labor at our operations and expects our customers and suppliers to demonstrate similar intolerance for such practices. “Forced” labor includes labor as defined by the ILO Convention 29 on Forced Labour and ILO Convention 105 on Abolition of Forced Labour and includes labor exacted by an employer through the use of coercion, including withholding food or land or wages, physical violence or sexual abuse, restricting peoples’ movements or locking them up, and debt bondage. The term “child” is consistent with the ILO Convention 138 on Minimum Age and the and the ILO Convention 182: Worst Forms of Child Labor and refers to any person employed under the age of 15 (or younger where applicable law specifies).</p> |

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| <p>3) Non-Discrimination Suppliers shall provide a workplace free of harassment and discrimination. Discrimination for reasons such as race, color, age, gender, sexual orientation, ethnicity, disability, religion, political affiliation, union membership or marital status is not condoned.</p> | <p>Praxair Supplier Expectations “We will seek to do business with partners - customers, suppliers and contractors - who share the same commitment to human rights that we have, specifically in relation to... Prevention of Harassment.”</p> <p>Standards of Business Integrity Sets forth its comprehensive commitment to the prevention of various types of harassment and discrimination. The section: “Employment and the Workplace: Avoidance of Discrimination and Harassment”, notes “Praxair is committed to recruiting, hiring, compensating and promoting people based solely on their abilities, performance and qualifications for their jobs and to maintaining a professional work environment in which employees are treated with respect and dignity. As part of our commitment to equal employment opportunity, Praxair prohibits discrimination or harassment based on race, color, religion, gender, national origin, age, disability, veteran status, pregnancy, or sexual orientation. This prohibition is applicable to all Praxair employees worldwide whether or not such behavior is prohibited by the laws wherever you work. Praxair is also committed to complying fully with applicable labor and employment laws wherever it operates.”</p> |
| <p>4) Fair Treatment Suppliers shall provide a workplace free of harsh and inhumane treatment, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers and no threat of any such treatment.</p> | <p>Praxair Supplier Expectations “We will seek to do business with partners - customers, suppliers and contractors - who share the same commitment to human rights that we have, specifically in relation to ...Prevention of Harassment.”</p> <p>Standards of Business Integrity Sets forth its comprehensive commitment to the prevention of various types of harassment ... Safety.</p> <p>Safety, Health and Environmental Policy Sets forth its comprehensive policies and commitments to safety.</p> |

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| <p>5) Wages, Benefits, and Working Hours Suppliers shall pay workers according to applicable wage laws, including minimum wages, overtime hours and mandated benefits.</p> <p>Suppliers shall communicate with the worker the basis on which they are being compensated in a timely manner. Suppliers are also expected to communicate with the worker whether overtime is required and the wages to be paid for such overtime.</p> | <p>Praxair Supplier Expectations “We will seek to do business with partners - customers, suppliers and contractors - who share the same commitment to human rights that we have, specifically in relation to...The Right to Work; Compensation.”</p> <p>Human Rights Policy</p> <p>1) Defines “The Right to Work”: “All people have the right to be considered for appropriate work, and Praxair will comply with applicable laws and rules, and relevant industry practice, governing the hours of work for our employees.”</p> <p>2) Defines “Compensation”: “Praxair will pay employees at least the minimum wages and overtime rates required by law and collective labor agreements and, if no such laws or agreements apply, wages in line with marketplace practices.”</p> |
| <p>6) Freedom of Association Open communication and direct engagement with workers to resolve workplace and compensation issues is encouraged.</p> <p>Suppliers shall respect the rights of workers, as set forth in local laws, to associate freely, join or not join labor unions, seek representation and join workers’ councils. Workers shall be able to communicate openly with management regarding working conditions without threat of reprisal, intimidation or harassment.</p> | <p>Praxair Supplier Expectations “We will seek to do business with partners - customers, suppliers and contractors - who share the same commitment to human rights that we have, specifically in relation to Freedom of Association.”</p> <p>Human Rights Policy Defines “Freedom of Association”: “Praxair considers relations with its employees to be good. While Praxair does not believe employees need any third party to stand between them and the Company, we recognize that our employees have the right to choose which, if any organizations they join, including to determine whether to unionize or not.</p> <p>Safe reporting: Suspected complaints or concerns of non-compliance with Praxair’s Standards of Business Integrity Can be reported in confidence by employees or third parties</p> |
| B: HEALTH AND SAFETY | |
| <p>Suppliers shall provide a safe and healthy working environment, including for any company provided living quarters. The Health and Safety elements include:</p> | <p>Responsible Care® Guiding Principles. Praxair is a signatory. These include strong standards for health and safety for employees and customers, carriers, suppliers, distributors and contractors. Praxair’s internal Safety, Health and Environmental Management System is based on compliance with laws and on Responsible Care® (which includes safety and health).</p> |
| <p>1) Worker Protection Suppliers shall protect workers from over exposure to chemical, biological, physical hazards and physically demanding tasks in the work place and in any company provided living quarters.</p> | <p>Praxair Supplier Expectations “We will seek to do business with partners - customers, suppliers and contractors - who share the same commitment to human rights that we have, specifically in relation to ... Safety.”</p> <p>Human Rights Policy Defines “Safety”: “Praxair’s safety goal is ZERO incidents and</p> |

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| | <p>ZERO injuries. Praxair believes that all injuries are preventable. Employees are obligated to stop or refuse to perform a job if it is not safe or cannot be performed safely. All employees and onsite contractors are required to comply with Praxair’s Global Safety, Health & Environmental Policy.”</p> <p>For performance, see Praxair Worker Safety. Contractor safety performance results are reported each year in the Praxair Sustainable Development Reports.</p> |
| <p>2) Process Safety Suppliers shall have programs in place to prevent or mitigate catastrophic releases of chemicals.</p> | <p>See Personnel Safety</p> <p>Note that Praxair contractors receive an average of 40 hours a year safety training, this metric is reported each year in the Praxair Sustainable Development Reports</p> <p>Praxair Process Safety</p> <p>Product Stewardship Policy</p> |
| <p>3) Emergency Preparedness and Response Suppliers shall identify and assess emergency situations in the workplace and any company provided living quarters, and to minimize their impact by implementing emergency plans and response procedures.</p> | <p>Praxair’s Emergency Preparedness and Response system.</p> <p>Human Rights Policy See section: “Work”</p> |
| <p>4) Hazard Information Safety information relating to hazardous materials - including pharmaceutical compounds and pharmaceutical intermediate materials - shall be available to educate, train, and protect workers from hazards.</p> | <p>See Personnel Safety</p> <p>Product Stewardship Policy</p> <p>Product Stewardship</p> |

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| C: ENVIRONMENTAL | |
| Suppliers shall operate in an environmentally responsible and efficient manner to minimize adverse impacts on the environment. Suppliers are encouraged to conserve natural resources, to avoid the use of hazardous materials where possible and to engage in activities that reuse and recycle. The environmental elements include: | See: Supplier Expectations Praxair commitment to Responsible Care® Management System and Guiding Principles Praxair’s Product Stewardship |
| 1) Environmental Authorizations Suppliers shall comply with all applicable environmental regulations. All required environmental permits, licenses, information registrations and restrictions shall be obtained and their operational and reporting requirements followed. | See: Supplier Expectations Praxair commitment to Responsible Care® Management System and Guiding Principles Praxair’s Product Stewardship |
| 2) Waste and Emissions Suppliers shall have systems in place to ensure the safe handling, movement, storage, recycling, reuse, or management of waste, air emissions and wastewater discharges. Any waste, wastewater or emissions with the potential to adversely impact human or environmental health shall be appropriately managed, controlled and treated prior to release into the environment. | See: Supplier Expectations Praxair commitment to Responsible Care® Management System and Guiding Principles Praxair’s Product Stewardship |
| 3) Spills and Releases Suppliers shall have systems in place to prevent and mitigate accidental spills and releases to the environment. | See: Supplier Expectations Praxair commitment to Responsible Care® Management System and Guiding Principles Praxair’s Product Stewardship Policy |
| D: ETHICS | |
| Suppliers shall conduct their business in an ethical manner and act with integrity. The ethics elements include: | See: Standards of Business Integrity: |
| 1) Business Integrity and Fair Compensation All corruption, extortion and embezzlement are prohibited. Suppliers shall not pay or accept bribes or participate in other illegal inducements in business or government relationships. Suppliers shall conduct their business consistent with fair and vigorous competition and in compliance with all applicable anti-trust laws. Suppliers shall employ fair business practices including accurate and truthful advertising. | See: Standards of Business Integrity: “Praxair is committed to high standards of ethical and responsible conduct in compliance with applicable laws in all the countries in which it does business.” Also see section on “Foreign Corrupt Practices Act Compliance.” Supplier Letter |
| 2) Identification of Concerns All workers should be encouraged to report concerns or illegal activities in the workplace without threat of reprisal, intimidation or harassment. Suppliers shall investigate and take corrective action if needed. | See: Standards of Business Integrity “... suspected complaints and concerns, ... third parties can anonymously report violations.” Supplier Letter Praxair’s Human Rights Policy section on Complaint Procedure and Implementation outlines the process for maintaining this process and for employees and third parties to report concerns. |

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| <p>3) Animal Welfare Animals shall be treated humanely with pain and stress minimized. Animal testing should be performed after consideration to replace animals, to reduce the numbers of animals used, or to refine procedures to minimize distress. Alternatives should be used wherever these are scientifically valid and acceptable to regulators.</p> | <p>Responsible Animal Testing Policy “Praxair is committed to animal welfare. Animal testing is rarely needed for Praxair products or services and our goal is to eliminate animal testing. It may be used only where required by government regulation or as a last resort, when all other options, including searches for computer models, scientific studies, published literature, etc. have been exhausted....”</p> |
| <p>4) Privacy Suppliers shall safeguard and make only proper use of confidential information to ensure that company, worker, and patient privacy rights are protected.</p> | <p>Standards of Business Integrity See section: “Privacy”</p> |
| E: MANAGEMENT SYSTEM | |
| <p>Suppliers shall use management systems to facilitate continual improvement and compliance with the expectations of these principles. The management system elements include:</p> | |
| <p>1) Commitment and Accountability Suppliers shall demonstrate commitment to the concepts described in this document by allocating appropriate resources.</p> | <p>Supplier Letter Supplier Expectations Outlines several program areas that are required in order to be a Praxair supplier, that require allocation of resources.</p> |
| <p>2) Legal and Customer Requirements Suppliers shall identify and comply with applicable laws, regulations, standards and relevant customer requirements.</p> | <p>Supplier Letter Praxair is committed to high standards of ethical and responsible conduct in compliance with applicable laws in all countries in which it does business. Supplier Expectations As a Praxair supplier, you must also ensure compliance with our contractual agreements, Business Integrity & Ethics Policy, and supplier expectations. Abide by all applicable governmental rules, regulations, and laws.”</p> |
| <p>3) Risk Management Suppliers shall have mechanisms to determine and manage risks in all areas addressed by this document.</p> | <p>Supplier Expectations Provides several areas where risk management is assumed, e.g. Assurance of Supply.</p> |
| <p>4) Documentation Suppliers shall maintain documentation necessary to demonstrate conformance with these expectations and compliance with applicable.</p> | <p>Standards of Business Integrity See section: “Financial Integrity and Reporting.”</p> |
| <p>5) Training and Competency Suppliers shall have a training program that achieves an appropriate level of knowledge, skills and abilities in management and workers to address these expectations.</p> | <p>Praxair employees and contractors receive an average of 40 hours a year safety training. This metric is reported each year in the Praxair Sustainable Development Reports.</p> |
| <p>6) Continual Improvement Suppliers are expected to continually improve by setting performance objectives, executing implementation plans and taking necessary corrective actions for deficiencies identified by internal or external assessments, inspections, and management reviews.</p> | <p>Supplier Expectations See section: “Responsiveness.” We respond quickly to customer inquiries, and we strive to efficiently resolve and eliminate any problem that might arise. In addition, the requirement for continuous improvement is explicit in sections on Total Cost of Ownership , Environmental Performance and Technology.</p> |

