

SciClone Pharmaceuticals

California Transparency in Supply Chain Act

On September 30, 2010 SB 657, “The California Transparency in Supply Chains Act of 2010” was signed into law, for the purpose of eliminating the existence of products sold in California that are made with slave labor at any point in the supply chain. The Act requires certain businesses to disclose the extent and efforts taken to eradicate slavery and human trafficking from each business’ supply chain.

SciClone’s Suppliers

To produce its proprietary products, SciClone has determined to contract only with manufacturers in the United States and Western Europe. SciClone’s primary reason for this practice is to ensure the highest standards of quality for its pharmaceutical products. SciClone also believes that this practice minimizes the possibility that any kind of potential slave labor is used by these direct suppliers in the manufacture of its products. In particular, retention of direct manufacturing suppliers in the United States and Western Europe ensures that our direct suppliers are subject to the labor, health and safety laws and regulations in those jurisdictions.

Supplier Approval

Prior to approving and entering into contracts with manufacturing suppliers, SciClone evaluates suppliers for suitability as a SciClone business partner, and in particular compliance with current Good Manufacturing Practices (cGMP) and the Foreign Corrupt Practices Act (FCPA). Our supplier approval activities are based on our assessment of risk and may include supplier written responses to our inquiries, and on-site inspections of supplier facilities.

Supplier Verification, Auditing and Controls

Once a supplier is selected, SciClone utilizes contract terms, quality agreements, and regular certifications and audits to confirm suppliers’ compliance with SciClone’s supplier performance and quality expectations. Supplier compliance certification and audits are performed by SciClone employees. The frequency of supplier certifications and audits is based upon our assessment of risk as well as the supplier’s performance. Our on-site audits in the United States and Western Europe do not specifically include assessment for human trafficking and slavery activity.

Our agreements with manufacturing suppliers include commitments from our direct suppliers to comply with laws and regulations applicable to their services and the material provided by the supplier, which we believe includes compliance with local labor, health and safety requirements.

Internal Accountability

SciClone requires that all our employees comply with our Corporate Code of Business Conduct and Ethics, as well as all company policies and procedures, and all laws and regulations that apply to company business operations. Compliance with laws would include compliance with laws regarding slavery and human trafficking. Any violations of SciClone's policies are subject to disciplinary measures including dismissal as appropriate. For any supplier not meeting SciClone's requirements under its contractual arrangements, SciClone reserves the right to terminate the agreement.

Training.

All employees receive training as to our Corporate Code of Business Conduct and Ethics, as well as our other policies on compliance with laws and regulations. Employees involved in our manufacturing supply chain may also be trained on specific responsibilities regarding The California Transparency in Supply Chains Act.