

## **Modern Slavery and Human Trafficking Transparency Statement 2020**

### **About this Statement**

Modern slavery is an emerging global issue that businesses need to be alert to and prepared to address. Bachem expects that employees and suppliers will reject modern slavery.

This statement is made pursuant to section 54, Part 6 of the Modern Slavery Act 2015, with respect to the financial year ending December 31, 2020, and sets out the steps that Bachem has taken to help ensuring that modern slavery and human trafficking does not occur in our business operations or within our supply chain.

This statement has been approved by Bachem Holding AG board of directors and will be reviewed and updated annually.

### **About Bachem**

Bachem is a leading, innovation-driven company specializing in the development and manufacture of peptides and oligonucleotides. With 50 years of experience and expertise Bachem provides products for research, clinical development and commercial application to pharmaceutical and biotechnology companies worldwide and offers a comprehensive range of services. Bachem operates internationally with headquarters in Switzerland and locations in Europe, the US and Asia. The company is listed on the SIX Swiss Exchange.

### **About Corporate Responsibility**

As with any company or organization, a set of values defines the way we work and the way we act as a constant quality in an ever-changing world. Whatever the situation or task involved, these beliefs and values make up the ethical character of a company and help characterize its standards and its position in both society and the world of business around it.

Bachem has traditionally maintained a clear and high standard of corporate responsibility, standing by its values of integrity, honesty, and fairness in running its global business. Consequently, Bachem makes its decisions always with the following aspects of corporate responsibility in mind:

- Serving our customers with high-quality products and services
- Providing value to our shareholders
- Being a safe responsible employer to our staff
- Protecting the environment around us
- Complying with both government laws and regulatory authorities

## About Existing Policies on Slavery and Human Trafficking

Bachem believes in the dignity of every human being and in respecting individual rights. The company does not tolerate slavery and/or human trafficking within its organization and supply chain. We are aware that there is a potential risk of modern slavery within any supply chain.

To ensure that all employees and business partners are respecting Human Rights, our company has established the following global policies and processes:

### A) Code of Conduct for Employees

Bachem's Code of Conduct sets the basis for the behavior we demonstrate day by day. This Code of Conduct forms an integral part of Bachem's terms of employment, and it applies to all officers, employees, and directors within the Bachem Group. Bachem insists on full compliance with the Code of Conduct and does not tolerate unethical behavior of any kind. Equally, we will not allow any form of bribery or corruption.

The code of conduct is part of the mandatory training package for Bachem employees. Trainings are recorded and controlled.

### B) Key Strategies we Employ to Manage our Supply Chain

Our supply chain includes the procurement of raw materials, packaging materials, services, indirect materials, and equipment for the production of our finished goods. We source our products worldwide through hundreds of suppliers, large and small. Since procurement is considered as the main risk for ensuring the absence of slavery and human trafficking, a centralized supplier qualification process is implemented and followed in accordance with our Corporate Directive (CD) and Standard Operational Procedures (SOP).

#### Code of Conduct for Bachem Suppliers:

Our Code of Conduct for Bachem Suppliers describes what we expect from our suppliers in terms of ethical behavior and compliance to human rights. The Code of Conduct is agreed and bilaterally signed during the formalized supplier selection/ qualification process and checked by a periodic re-qualification procedure.

#### On-Site Audits:

The supplier audit frequency and content are defined in a specific SOP which has been revised and further developed in 2019. This process of auditing incorporates the enforcement of our Code of Conduct and ensures that our suppliers meet the ethical standards we expect from them. Since 2017, we pay increased attention to ethical, safety, health, and environmental aspects during on-site audits. Due to COVID-19, in 2020 the audit plan could not be realized as initially intended. From originally 39 scheduled supplier audits, 20 had been conducted. Two thereof were carried out fully remote, two in a hybrid approach, one by experts of a third party and the rest on-site. The 18 of the remaining audits were postponed to 2021, one to 2022. All of the audited companies complied with our expectations regarding Ethics and HSE.

#### Taking Corrective and Preventive Actions:

In case of non-compliance, we give the supplier the possibility to improve its situation and gain compliance by providing a corrective and preventive action plan. The sustainable implementation of the corrective actions is then verified in a follow-up audit.

## Corporate Social Responsibility Initiative

In addition to the above-mentioned single initiatives, in 2020, Bachem's sustainability performance was assessed and validated extensively by an independent and globally renowned third-party supply chain rating platform. In recognition of the group's sustainability achievements, EcoVadis awarded Bachem a silver medal.

Benchmarked against companies evaluated by EcoVadis, Bachem's sustainable performance score is above the industry's average. This holds true for all the assessed areas, covering the environment, labor & human rights, ethics, and sustainable procurement.

The EcoVadis award confirms our commitment to continue on this path of socially responsible and at the same time economical corporate management.

Apart from the company's strengths, the sustainability assessment helped Bachem to identify improvement possibilities, which are addressed in the corrective action plan. It helps our company to continuously improve its sustainability management system and performance.

## **Conclusion**

Slavery and human trafficking are serious crimes and a reprehensible violation of the fundamental dignity of the human being. Bachem will continue its efforts to update policies and procedures in order to raise awareness on this important topic and to avoid that modern slavery and human trafficking occurs in our business operations or within our supply chain.

Bubendorf, Switzerland  
May 12, 2021



Kuno Sommer  
Chairman of the Board