

Modern Slavery and Human Trafficking Transparency Statement 2022

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 according to section 54, Part 6 of the Modern Slavery Act 2015, for the financial year ending December 31, 2022, and sets out the steps that Bachem has taken to help ensure that modern slavery and human trafficking do not occur in our business operations or within our supply chain.

This statement has been approved by Bachem Holding AG's 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 its headquarters in Switzerland and locations in 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 to uphold a constant quality and commitment 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

Respect for Human Rights

Bachem is a UN Global Compact member. Thus, as a corporation, we are dedicated to upholding the UN Global Compact's 10 guiding principles. We align our tactics and endeavors with the overarching ideals of labor, the environment, human rights, and anti-corruption. Based on the Guiding Principles on Business and Human Rights endorsed by the United Nations Human Rights Council in 2021, Bachem implemented a human rights due diligence process (HRDD). It follows the OECD Due Diligence Guidance for Responsible Business Conduct, to proactively manage potential and actual adverse human rights impacts along our entire value chain.

Our policies and actions in practice

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. However, we recognize 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) Our employees

It is our responsibility to encourage a diverse and inclusive workplace that values each individual and is free from harassment and discrimination. Regardless of race, nationality, age, gender, religion, sexual orientation, disability, or any other protected characteristics, we are dedicated to treating everyone fairly and equally and providing equal opportunity.

Bachem Code of Conduct

The [Bachem Code of Conduct](#) (CoC) sets the basis for the behavior we demonstrate day by day. This CoC 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 CoC and does not tolerate unethical behavior of any kind. Equally, we will not allow any form of bribery or corruption. The CoC is part of the mandatory training package for Bachem employees. Training is recorded and controlled regularly.

B) Our supply chain and procurement

Our supply chain includes the procurement of raw materials, packaging materials, services, indirect materials, and equipment to produce our finished goods. We source our products worldwide through hundreds of suppliers, large and small. Since procurement is considered 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). The [Bachem Sustainable Procurement Commitment](#) describes our approach to sustainable procurement.

Bachem Code of Conduct for Supplying Partners

Our [Code of Conduct \(CoC\) for Supplying Partners](#) describes what we expect from our suppliers in terms of ethical behavior and compliance with human rights. The CoC for Supplying Partners is agreed upon and bilaterally signed during the formalized supplier selection/ qualification process and checked by a periodic re-qualification procedure.

Sustainability assessments of supplying partners

To increase sustainability transparency throughout our supply chain and check whether our suppliers are adhering to our standards of ethical and responsible behavior we assess the sustainability performance of selected partners with EcoVadis. In 2022 we have approached all our suppliers that, based on our Vendor Sustainability Risk Mapping Framework (see [Bachem Sustainable Procurement Commitment](#)), were associated with a high or medium sustainability risk. We have asked the selected partners to join our sustainable procurement initiative. So far, 65% have taken the EcoVadis sustainability assessment to create the needed transparency for corrective actions. In 2023 these will be addressed with our suppliers while we extend our sustainability assessments to further parts of our supplier base.

On-Site Audits

To ensure that our suppliers meet the quality standards we expect from them and have aligned their business practices with our CoC for Supplying Partners, Bachem conducts on-site audits. The management process, content, and frequency of supplier audits are defined in a global SOP. It incorporates the assessment of ethical and HSE (health, safety, and environment) aspects. In 2022 we conducted 24 supplier audits, 3 of which were virtual. All the audited companies complied with our expectations regarding ethics and HSE.

Taking corrective and preventive actions

In case of minor non-conformances, the supplier is requested to provide and implement corrective or preventive actions, which are verified in a follow-up audit. If severe non-conformances, respectively gross abuses, unethical, or irresponsible behavior (e.g., child labor, bribery, etc.) are observed, Bachem discontinues the business relationship with the supplier. In 2022 no supplier was disqualified because of ethical misconduct or HSE findings.

Our sustainability performance

In addition to the above-mentioned initiatives, in 2022, our sustainability performance was awarded a platinum medal by EcoVadis. Thus, Bachem has moved up to the top 1% of businesses in our sector and the top 2% of most sustainable companies rated by EcoVadis. The rating recognizes the company's performance in areas such as the environment, ethical behavior, sustainable procurement, and labor and human rights.

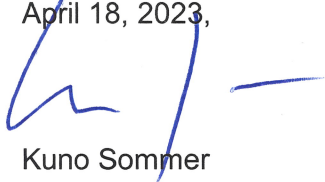
The EcoVadis recognition supports our commitment to continue this path of socially responsible and at the same time economical corporate management. Apart from the company's strengths, the sustainability assessment helped Bachem to identify improvement possibilities, which are addressed

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 reprehensible violations of the fundamental dignity of human beings. Bachem will continue its efforts to update policies and procedures to raise awareness on this important topic and to avoid that modern slavery and human trafficking occurring in our business operations or within our supply chain.

Bubendorf, Switzerland
April 18, 2023,

A handwritten signature in blue ink, appearing to be 'Kuno Sommer', is written over the printed name and title.

Kuno Sommer
Chairman of the Board