

Bachem Slavery and Human Trafficking Statement

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, 2016, 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 listed technology-based company focused on peptide chemistry. The company provides a full range of services to the pharma and biotech industries. It specializes in the development of innovative, efficient manufacturing processes and the reliable production of peptide-based active pharmaceutical ingredients. A comprehensive catalog of biochemicals and exclusive custom syntheses for research labs complete the service portfolio. Headquartered in Switzerland with subsidiaries in Europe and the US, the group has a global reach with more experience and know-how than any other company in the industry. Towards its customers, Bachem shows total commitment to quality, innovation and partnership.

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 their 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, which we demonstrate day by day. This Code of Conduct forms an integral part of the terms of employment of everyone at Bachem, 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) Code of Conduct for Suppliers

Our supply chain includes 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. While sourcing is mainly centralized and key products are sourced company-wide, managing our supply chain is still a significant challenge.

Key strategies we employ to manage our supply chain are:

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. We require from any of our suppliers to give its consent to this document by signing off on it. To comply with our Code of Conduct it is an integral part of the supplier selection and qualification process.

On site audits:

We audit our key suppliers on a regular basis. The audit frequency is defined in an internal standard operating procedure (SOP) and these audits are our way to enforce compliance with our Code of Conduct and to ensure that our suppliers met the ethical standards we expect from them.

We are also in the process of including ethical and safety, health and environmental aspects during on site quality audits of our key suppliers. We started this process recently and this is something we shall monitor carefully for future continuing implementation.

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.

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
June 26, 2017



Kuno Sommer
Chairman of the Board