

## **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) Key strategies we employ to manage our supply chain

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 procurement is considered as the main risk for ensuring slavery and human trafficking, a centralized supplier qualification process is implemented and followed according 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 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. Starting in 2017, we pay special attention to ethical and safety, health and environmental aspects during on site audits. In 2019 we conducted 26 supplier audits of which 26 of the audited companies complied to our expectations regarding Ethics and HSE. One external lab which was advised in 2018 has mitigated the audit recommendations in regards to employee protection during handling of highly potent drugs substances.

#### 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 above mentioned single initiatives, BACHEM strives to achieve in 2020 a global audit to validate our commitment from an independent authority (ecovadis). As a first step towards this target the Headquarter in Bubendorf Switzerland has been audited in 2019 with awarded silver medal results.

**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  
02<sup>nd</sup> of June 2020



Kuno Sommer  
Chairman of the Board