

Lonza's Supplier Code of Conduct

Lonza's activities touch many people's lives in a wide variety of industries. Maintaining the trust and confidence of these stakeholders requires Lonza to ensure that its values are translated into consistent and appropriate behavior worldwide.

Lonza promotes innovation and strives for economic, social, and environmental sustainability in order to ensure the long-term success of our company and its stakeholders. Lonza is committed to sustainability in all business activities and aims to apply the highest ethical standards. In support of this goal, Lonza demands strict adherence to our principles for labor, environment, health and safety as outlined in this Code of Conduct. Lonza's suppliers play an important role as enablers of our company's sustainable growth and overall success.

Lonza follows the Principles of the United Nations Global Compact as well as the Pharmaceutical Industry Principles for Responsible Supply Chain Management available under the following link:
http://pharmaceuticalsupplychain.org/downloads/psci_guidance.pdf

Lonza is committed to conducting its business in light of these principles.

In this document Lonza has set forth principles that are instrumental for dealings with suppliers as well as specifying applicable standards. Lonza expects its suppliers to strictly observe and comply with all the principles expressed herein, in all of their activities and sites worldwide.

1. Principles

- a. All dealings by Lonza with its business partners are executed on the basis of competitive prices, highest suitability and required quality. Suppliers with certifications such as ISO 14000 or similar and with a comparable sustainability commitment to Lonza shall be preferred.
- b. Lonza requires that its suppliers' business behavior must be in compliance with all applicable international, national and local laws and contractual terms, as well as with generally accepted standards in relation to child labor, safety, and anti-bribery. Lonza requires its suppliers to act in a socially responsible and ethical way.

- c. The principles of the Lonza Suppliers' Code of Conduct shall also apply to third parties (subcontractors) if supplier's have outsourced parts of their contractual obligations.

2. Ethics

Suppliers will conduct their business in an ethical manner and act with integrity:

- a. **Fair Competition**
Suppliers will be committed to working against corruption, including extortion and bribery. Suppliers shall conduct their business using fair business practices, consistent with fair competition and in compliance with all applicable laws, rules, and regulations.
- b. **Business Integrity**
Suppliers shall refrain from proposing to any Lonza employees any sum of money, gifts, loans or valuable objects, with the exception of presents or promotional gifts of an insignificant monetary value, which are in accordance with local customs and all applicable laws, rules, and regulations.
- c. **Identification of Concerns**
Suppliers shall encourage their workers to report concerns or illegal activities within their workplace without threat of reprisal, intimidation or harassment. Suppliers shall investigate and take corrective action where needed. All reported cases will be officially recorded by suppliers.
- d. **Privacy**
Suppliers shall secure and use properly any confidential information made available by Lonza in order to ensure that the privacy rights of the company, its employees, and its customers are protected.

3. Labor

a. Forced Labor

Suppliers shall not use forced or involuntary labor.

b. Child Labor and Young Workers

Suppliers shall not use child labor below the age of 16 or the applicable minimum legal age, whichever is higher. The employment of young workers between the ages of 15 and 18 shall occur only in nonhazardous work and when young workers are above a country's legal age for employment.

c. Fair Treatment

Inhumane treatment and/or physical punishment, of workers are prohibited.

d. Nondiscrimination

Any discrimination in hiring, training, promotion, compensation, etc. based on race, color, gender, age, sexual orientation, religion, political affiliation, union membership, marital status or any additional illegally discriminatory characteristic is not acceptable.

e. Wages and fringe benefits

Work hours, minimum wages and overtime hours paid to employees as well as the fringe benefits must be in compliance with the applicable regulations. Suppliers must notify their employees of the method used to calculate wages. Wages should be paid at regular intervals and with reasonable frequency in cash, by check or bank transfer, except in specific cases provided for by national regulations. Deductions from wages for disciplinary reasons are prohibited.

f. Freedom of Association

Suppliers should encourage their employees to communicate freely with their superiors concerning working conditions, compensation, etc., without fear of reprisals, intimidation, or harassment. Employees should be free to join any trade union of their choice, to seek representation, and join workers' councils.

4. Health and Safety

Suppliers must provide a safe and healthy working environment, including any company-provided living quarters. Suppliers should have a health & safety organization to define, implement, and follow up on policies and management systems that include compliance with local and national regulations. The health and safety elements should include:

a. Workers' Health and Protection

The suppliers shall protect workers from over-exposure to chemical, biological and physical hazards in the workplace as well as from risks associated with any infrastructure used by their employees.

b. Maintenance, Emergency Preparedness and Response

Suppliers shall have programs in place to operate and maintain all operations in the safest manner possible. Suppliers shall identify and assess possible emergency situations in the workplace and minimize their impact by implementing emergency response plans and procedures.

c. Process Safety

In particular the suppliers shall have programs in place to prevent or mitigate catastrophic release of chemicals.

d. Hazard Information and Training

Safety information shall be available to educate, train, and protect workers from hazards. This includes safety information about hazardous substances used: chemicals, pharmaceuticals, intermediate products, etc.

5. Environment

Suppliers should ensure that their activities have a minimal impact to the environment. Suppliers must operate as environmentally responsibly and efficiently as possible. Suppliers are encouraged to use their best efforts to reduce or eliminate emissions generated by their activities, to preserve natural resources, to avoid or minimize the use of hazardous substances, and when possible to promote waste recycling or reuse.

a. Environmental Authorizations

Suppliers shall ensure compliance with all applicable regulations and recommendations relating to environmental protection in force within the countries where they carry out activities. All required environmental permits, licenses, registrations, etc., shall be obtained and their operational/reporting requirements followed.

b. Waste and Emissions

Suppliers shall have systems in place to ensure the safe handling, movement, storage, recycling, management of waste, air emissions, and wastewater discharge. Any waste, wastewater or emissions shall be measured, tested, controlled, and (if required) treated prior to release into the environment. Waste should be reused or recycled where possible.

c. Spills and Releases

Suppliers need to have systems in place to prevent and mitigate accidental spills and releases into the environment. Emergency procedures and personnel should be in place to treat any accidental event presenting an environmental risk.

6. Internal Measuring Procedures

Suppliers should possess internal measuring procedures, tools, and indicators required to guarantee adherence to the principles mentioned in this policy.

7. Information

False information must not be given to Lonza in the course of Lonza's supplier screening/ assessment and commercial negotiation.

8. Report to Lonza

Suppliers are encouraged to report violations of ethics and compliance by Lonza employees and by other suppliers to Lonza. Suppliers can report any potential ethical violations by sending an e-mail to compliancegroup@lonza.com or by using our ethics reporting system that can be found at www.lonzaethicshotline.com.

9. Termination of Agreement

In the event that Lonza become aware of any actions or conditions not in compliance with this Code, Lonza reserves the right to request corrective actions and the right to terminate any agreement with any Suppliers who do not comply or violate this Code unless our supplier agreement provides otherwise.