

## Code of business conduct and ethics

### Background

Quality in every aspect of our business is the hallmark on which the Company was built. Quality at the PolyPeptide Group goes beyond ensuring the quality of our products and maintaining strict adherence to cGMP guidelines and procedures in all of our operations. It is also a part of the manner in which we conduct our business, uphold all laws, protect the health and safety of our employees and our community and ensure ethical business practices. To ensure that we follow these principles in all aspects of our business, we have created a PolyPeptide Group Code of Business Conduct and Ethics.

### Introduction

The PolyPeptide Group is proud of the values with which it conducts business. It has and will continue to uphold the highest levels of business ethics and personal integrity in all types of transactions and interactions. To this end, this Code of Business Conduct and Ethics serves to

(1) emphasize the Company's commitment to ethics and compliance with the law; (2) set forth basic standards of ethical and legal behavior; (3) provide reporting mechanisms for known or suspected ethical or legal violations; and (4) help prevent and detect wrongdoing.

Given the variety and complexity of ethical questions that may arise in the Company's course of business, this Code of Business Conduct and Ethics serves only as a rough guide.

Confronted with ethically ambiguous situations, employees should remember the Company's commitment to the highest ethical standards and seek advice from supervisors, managers or other appropriate personnel to ensure that all actions they take on behalf of the Company honor this commitment.

This Code of Business Conduct covers a wide range of business practices and procedures. It does not cover every issue that may arise, but it sets out basic principles to guide all employees of the PolyPeptide Group. All of our employees must conduct themselves accordingly and seek to avoid even the appearance of improper behavior. The code should also be provided to and followed by our suppliers, consultants and business associates.

Those who violate the standards in this code will be subject to disciplinary action, including possible dismissal. Furthermore, violations of this code may also be violations of the law and may result in civil or criminal penalties for you, your supervisors and/or the Company. If you are in a situation, which you believe may violate or lead to a violation of this code, follow the procedures set out in Section 17 of this code.

The basic principles discussed in this code are subject to any Company policies covering the same issues.

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## 1 Compliance with laws, rules and regulations

Obeying the law, both in letter and in spirit, is the foundation on which this Company's ethical standards are built. All employees and officers must respect and obey the laws, rules, and regulations of the cities, states, and countries in which we operate. Although employees and officers are not expected to know the details of each of these laws, rules and regulations, it is important to know enough to determine when to seek advice from supervisors, managers or other appropriate personnel.

## 2 Conflicts of interest

The Company expects that all employees will perform their duties conscientiously, honestly and in accordance with the best interests of the Company. A "conflict of interest" exists when a person's private interest interferes in any way, or even appears to interfere, with the interests of the Company. A conflict situation can arise when an employee or officer takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. Conflicts of interest may also arise when an employee or officer (or a member of his or her family) receives improper personal benefits as a result of his or her position in the Company.

It is a conflict of interest for a Company employee or officer to work for a competitor, customer or supplier. You should avoid any direct or indirect business connection with our customers, suppliers or competitors; except as required on our behalf.

Conflicts of interest are prohibited as a matter of Company policy. Any employee or officer who becomes aware of a conflict or potential conflict should bring it to the attention of a supervisor, manager, or other appropriate personnel.

## 3 Insider trading

All non-public information about the Company should be considered confidential information. In addition, all non-public information about customers, suppliers and other business associates, many of whom are public companies, should be considered confidential information.

Officers, directors and employees of PolyPeptide will often come into contact with, or have possession of, proprietary, confidential or business-sensitive information and must take appropriate steps to assure that such information is strictly safeguarded. Employees and officers who have access to confidential information about the Company, customers, suppliers, associates or any other entity are not permitted to use or share that information for trading purposes or for any other purpose except for the conduct of the Company's business. To use non-public information for personal financial benefit or to "tip" others who might make an investment decision on the basis of this information is not only unethical, but also illegal.

The Company has adopted an internal policy to ensure compliance with insider rules. The unauthorized disclosure of inside information or the misuse of inside information in connection with trading securities (including related derivatives and other financial instruments) can expose an individual to criminal and civil liability and penalties under the applicable national laws, including in Switzerland (where the shares of the Company are listed) and potentially other jurisdictions such as the U.S. It can further expose the Company to reputational and other risks and damages. Directors, officers, and employees in possession of price sensitive information not available to the public are “insiders.” Spouses, friends, suppliers, brokers, and others outside the company who may have acquired the information directly or indirectly from a director, officer or employee are also “insiders”. Insiders must not disclose inside information to unauthorized persons and must not trade in, or recommend the sale or purchase of these securities, while in possession of such inside information. Generally, if information is important enough to influence you or any other person in the purchase or sale of securities, it is considered price sensitive. Employees must not buy or sell a company’s securities (including any related derivatives and other financial instruments) when they have knowledge of inside information concerning the PolyPeptide Group until it has been properly disclosed to the public.

#### **4 Corporate opportunities**

Employees and officers are prohibited from taking opportunities that are discovered through the use of corporate property, information or position for themselves without the consent of the board of directors. No employee or officer may use corporate property, information or position for personal gain and no employee or officer may compete with the Company directly or indirectly. Employees and officers owe a duty to the Company to advance the Company’s interests when the opportunity to do so arises.

#### **5 Equal and fair employment practices**

Our Company complies with all federal, state, provincial and local employment laws including regulations on pay rates, overtime, occupational health and safety and equal employment opportunity. As an equal opportunity employer, we are committed to ensuring that all employees work in an environment of mutual respect, free of harassment and discrimination. The Company will not discriminate against any employee or applicant with regard to race, color, gender, sexual orientation, gender identity or expression, age, religion, national origin, disability or any characteristic protected by applicable law.

We are also committed to providing a safe, healthy and drug-free workplace. Being free of alcohol, illegal drugs, illegally used prescriptions or controlled substances of any type in the workplace is a condition of employment at PolyPeptide and any employee found to be affected by such substances shall be dismissed from the company/workplace. Any employee found selling or possessing illegal drugs is subject to immediate termination.

The use of forced, bonded or indentured labor or involuntary prison labor is strictly prohibited concerning both our suppliers and within the Company.

## 6 Competition and fair dealing

We seek to outperform our competition fairly and honestly. We seek competitive advantages through superior performance never through unethical or illegal business practices. Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other companies is prohibited. Each employee and officer should endeavor to respect the rights of and deal fairly with the Company's customers, suppliers, competitors and employees. No employee or officer should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other illegal trade practice.

The purpose of business entertainment and gifts in a commercial setting is to create goodwill and sound working relationships, not to gain unfair advantage with customers. No gift or entertainment should ever be offered, given, provided or accepted by any Company employee or officer, family member of an employee or officer, or agent unless it: (1) is not a cash gift, (2) is consistent with customary business practices, and (3) does not violate any laws, regulations or applicable policies of the other party's organization. Please discuss with your supervisor any gifts or proposed gifts that you are not certain are appropriate.

## 7 Anti-bribery and corruption

Bribery of any kind is strictly prohibited. Under no circumstances should any provision be made, money set aside or accounts created for the purposes of facilitating the payment or receipt of a bribe. Offering, giving or accepting money, gifts and entertainment in order to influence a business outcome improperly, reward improper conduct or gain improper commercial, contractual, regulatory or personal advantage is considered bribery and is strictly prohibited. Please discuss with your supervisor any gifts or proposed gifts that you are not certain are appropriate.

PolyPeptide is committed to promoting and maintaining the highest level of ethical standards in relation to all of its business activities. The Company therefore has a zero tolerance policy towards bribery and corruption and is committed to acting fairly and with integrity in all of its business dealings and relationships and implementing and enforcing effective systems to counter bribery. Any employee found offering, providing or accepting a bribe is subject to immediate termination.

## 8 Responsible procurement

Responsible procurement is an important element in our code of conduct. PolyPeptide suppliers are required to conform to a Code of Conduct similar to our own. We will work with suppliers to ensure that they share our values, so that we are certain that we procure our raw materials, goods and services in a responsible way, in line with our ethical standards.

We evaluate our suppliers in the following areas to ensure we work only with suppliers who understand and embrace our Code of Conduct:

- **Fair and Ethical Business Practices** – Our Code of Conduct outlines the ethical standards and fair business practices by which we conduct our business and we expect our suppliers to adopt similar principles.
- **Health & Safety**– we expect our suppliers to adopt management practices in respect of Health & Safety which provide a high level of safeguarding for their workers.
- **Environmental Protection** – we expect suppliers to maintain effective policies, processes and procedures to minimize their environmental impact.
- **Human Rights** – we expect our suppliers to develop and implement policies and procedures to ensure all human rights in their business and to encourage their suppliers to do likewise.
- **Compliance with Laws and Regulations** – we expect our suppliers to respect and obey the laws, rules and regulations of the cities, states and countries in which they operate.

## 9 Political contributions

The Company prohibits political contributions (directly or through trade associations) by the Company or its business units. This includes: (a) any contributions of Company funds or other assets for political purposes; (b) encouraging individual employees to make any such contribution; or (c) reimbursing an employee for any contribution.

Individual employees are free to make personal political contributions as they see fit.

## 10 Discrimination and harassment

The diversity of the Company's employees is a tremendous asset. We are firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment based on race, color, religion, sex, national origin or any other protected class.

The PolyPeptide Group believes that all people should be treated with dignity. Any conduct that fails to show appropriate respect to others including fellow employees, customers, vendors and suppliers violates the Company's values. The following are examples of unacceptable conduct: insults; threats; intimidation; profanity; ridicule; vulgarity; discrimination; harassment; physical or verbal abuse; sexually explicit humor; conversation or behavior; gossip; slurs or stereotyping; unwelcome sexual advances; unwelcome touching or invasion of personal space; ignoring the rights of others; and insensitivity to the beliefs and customs of others.

## **11 Health and safety**

The Company strives to provide each employee with a safe and healthy work environment. Each employee has the responsibility for maintaining a safe and healthy workplace for all employees by following Company environmental, safety, and health rules and practices and by reporting accidents, injuries and unsafe equipment, practices or conditions. Violence and threatening behavior are not permitted.

Employees are expected to perform their Company related work in a safe manner, free of the influences of alcohol, illegal drugs or controlled substances. The use of any of these substances in the workplace will not be tolerated.

## **12 Environmental**

The PolyPeptide Group is committed to obeying environmental laws and regulations and acting responsibly to conserve and preserve natural resources. We strive to minimize the impact our industry has on the environment by supporting and promoting innovation in the responsible use of our resources. The Company will continue to promote recycling, conservation of energy and natural resources, safe use and disposal of hazardous materials and the development of environmentally sound alternatives. We expect our employees, suppliers and other business partners to join in our efforts to preserve our environment and we will encourage our customers to do likewise.

## **13 Record-keeping, financial controls and disclosures**

The Company requires honest, accurate and timely recording and reporting of information in order to make responsible business decisions.

All business expense accounts must be documented and recorded accurately in a timely manner. If you are not sure whether a certain expense is legitimate, ask your finance department. Policy guidelines are available from Human resources.

All of the Company's books, records, accounts and financial statements must be maintained in reasonable detail; must appropriately reflect the Company's transactions; must be promptly disclosed in accordance with any applicable laws or regulations; and must conform both to applicable legal requirements and to the Company's system of internal controls.

## **14 Confidentiality**

Employees must maintain the confidentiality of proprietary information entrusted to them by the Company, its customers, suppliers, or associates, except when disclosure is required by laws or regulations. Proprietary information includes all non-public information that might be of use to competitors or harmful to the

Company, its customers or suppliers if disclosed. It includes information that the Company entrusts to employees and information that suppliers and customers have entrusted to us. The obligation to preserve proprietary information continues even after employment ends. Much of the information with which we come into contact at work each day is confidential. Company confidential information is information not generally known to competitors and others outside the Company and may include: manufacturing processes, in-house know how, trade secrets, product specifications, financial information, including but not limited to information about sales, earnings, expenses and investments; pricing information; business development materials; personnel files; and Company policies, manuals, guidelines, procedures and SOPs.

Confidential information is critical to our competitive advantage and must not be disclosed, except as specifically authorized or legally required. Information that has been made public by the Company, such as press releases, news articles or advertisements, is not considered confidential and does not require protection. It is the responsibility of each of us to use discretion in handling confidential information so that we do not inadvertently reveal confidential information to competitors, vendors, suppliers, friends and/or family members. If you are unsure about whether certain information is confidential, presume that it is.

### **15 Protection and proper use of company assets**

All employees and officers should protect the Company's assets and ensure their efficient use. Company assets should not be used for non-Company business. Theft, carelessness and waste have a direct impact on the Company's profitability. All Company assets are to be used for legitimate Company purposes. Any suspected incident of fraud or theft should be immediately reported for investigation.

### **16 Reporting any illegal or unethical behavior**

Employees are encouraged to talk to supervisors, managers or other appropriate personnel about observed behavior that they believe may be illegal or a violation of this Code of Conduct or Company policy or when in doubt about the best course of action in a particular situation. It is the policy of the Company not to allow retaliation for reports made in good faith by employees of misconduct by others. Employees are expected to cooperate in internal investigations of misconduct.

### **17 Compliance procedures**

We must all work to ensure prompt and consistent action against violations of this code. However, in some situations it is difficult to know right from wrong. Since we cannot anticipate every situation that will arise, it is important that we have a way to approach a new question or problem. These are the steps to keep in mind:

- a. Make sure you have all the facts. In order to reach the right solutions, we must be as fully informed as possible.



- b. Ask yourself: What specifically am I being asked to do? Does it seem unethical or improper? This will enable you to focus on the specific question you are faced with and the alternatives you have. Use your judgment and common sense; if something seems unethical or improper, it probably is.
- c. Discuss the problem with your supervisor. This is the basic guidance for all situations. In many cases, your supervisor will be more knowledgeable about the question and will appreciate being brought into the decision-making process. Remember that it is your supervisor's responsibility to help solve problems. If you are uncomfortable discussing the problem with your supervisor, you can talk to any Company management or human resources personnel.
- d. You may report violations in confidence and without fear of retaliation. If your situation requires that your identity be kept secret, your anonymity will be protected. The Company does not permit retaliation of any kind against employees or officers for good faith reports of suspected violations.
- e. Always ask first, act later: If you are unsure of what to do in any situation, seek guidance before you act.
- f. All employees and officers are subject to the Company's code, which describes procedures for the internal reporting of violations of the code. All employees and officers must comply with those reporting requirements and promote compliance with them by others. Failure to adhere to this code by any employee or officer will result in disciplinary action up to and including termination.

## 18 Annual acknowledgement

To help ensure compliance with this Code of Business Conduct, the Company requires that all exempt salaried employees and officers review the Code of Business Conduct and acknowledge their understanding and adherence on an annual basis either in writing or in the LMS-system.