

Supplier Code of Conduct



Preface



Our suppliers are critical to our success. We believe they should share our fundamental values and principles related to corporate responsibility, and we expect them to operate in full compliance with applicable laws and regulations.

Peter Wilden, Chairman of the Board of Directors and
Juan-José Gonzalez, Chief Executive Officer

PolyPeptide Group ("PolyPeptide") as a global leader in peptide and oligonucleotide development and manufacturing benefits the health of millions of patients around the world. Maintaining Quality as the hallmark of our business, we are committed to corporate responsibility and to conducting our activities in an ethical, legal and socially responsible manner.

We promote strict adherence to cGMP guidelines and procedures in all our operations and consider our suppliers to be critical to our success. Building on trust, collaboration, and mutual support we believe they should share our fundamental values and principles related to corporate responsibility.

As we strive to continuously improve, we encourage our suppliers to participate in our efforts by adopting sustainable and responsible practices in their own operations. Together we can further advance on a variety of environmental, social and governance (ESG) matters.

We expect our suppliers to conduct their business in full compliance with all applicable local, national and international laws and regulations, contractual agreements and consistent with internationally recognized environmental, social and corporate governance standards.

As part of our collaborative approach, we commit to provide the suitable support if one of our suppliers identifies practices or behaviors that fall short of these expectations. Details about raising any concern is provided at the end of this document.

This Supplier Code of Conduct is based on recognized international standards, including the principles of the United Nations Global Compact initiative. It sets out our requirements and expectations in six sections: Lawful Business Conduct, Ethics, Labor and Human Rights, Health and Safety, Environment and Management Systems. It cannot address all potential unlawful or unethical conducts. However, it is intended to raise awareness and to provide reference for the most relevant aspects.

Our suppliers shall observe and comply with this Supplier Code of Conduct, as revised by PolyPeptide from time to time, in addition to any other policies or specifications that may be provided by PolyPeptide, and we encourage them to review their adherence regularly.

Baar, Switzerland, January 2024

Peter Wilden

Chair of the Board of Directors

Juan-José Gonzalez

Chief Executive Officer

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1 Lawful Business Conduct

Suppliers shall comply with all applicable national and international laws and regulations, including the International Labor Organization (the “ILO”) and the United Nations’ Universal Declaration of Human Rights, industry standards, and all other relevant statutory requirements whichever requirements impose the highest standards of conduct.

2 Ethics

Suppliers shall conduct their business in accordance with the highest ethical standards. They shall act in a fair manner and with integrity. Suppliers have to comply with all applicable laws and regulations concerning corruption, bribery and unfair and prohibited business practices. Suppliers shall not act in a fraudulent manner, embezzle tangible or financial assets, falsify financial data, reports and other documents, or commit other financial and other offenses.

2.1 Conflicts of interest

Suppliers that do business with PolyPeptide shall not have any competing interest, including personal or financial interests, that could potentially or actually interfere with their ability to make objective decisions to act in the best interest of PolyPeptide. Good Judgement is expected as well as reasonable care to avoid and manage situations in which conflicts of interest (including the appearance of a conflict of interest) could arise when fulfilling contractual obligations to PolyPeptide. If a conflict of interest (or the mere risk thereof) cannot be avoided, Suppliers shall notify PolyPeptide immediately, and collaborate with PolyPeptide to proactively resolve such situations.

2.2 Business integrity and fair competition

Suppliers shall comply with the laws and regulations of all applicable jurisdictions, including all applicable competition, antitrust, trade, anti-corruption and anti-bribery (including but not limited to, the UK Bribery Act and the US Foreign Corrupt Practices Act) laws, rules and regulations. Suppliers shall conduct their businesses without being engaged in any corrupt practices. Suppliers may not solicit, give, offer, promise or receive commercial bribes or unlawful kickbacks, never authorize someone else to do so on their behalf and must also be careful to avoid even the appearance of such improper conduct. We expect our suppliers to adhere to our [Global Anti-Corruption and Anti-Bribery Policy](#).

Suppliers shall not have any involvement in conducts in breach of supranational and/or national applicable laws that protect free and fair competition. Suppliers will not take advantage of anyone through unfair dealing practices. This means, among others, that Suppliers should not misrepresent the quality, features or availability of their products or services. Suppliers also agree to maintain integrity, transparency and accuracy in corporate record keeping.

2.3 Animal welfare

Suppliers shall use scientifically valid testing methods that do not utilize animals whenever practicable. In those circumstances when it is necessary to use animals to conduct research, suppliers shall comply with all applicable local and national laws and regulations relating to animal welfare. In addition, they are required to comply with the following key principles (where local/national laws and regulations impose stricter requirements, the stricter requirements shall be followed):

- animals shall be treated with care and respect, with pain and stress minimized;
- animal testing should be performed only after considering whether animals can be replaced, the numbers of animals used reduced, or procedures refined to minimize distress;
- alternatives should be used wherever these are scientifically valid and acceptable to regulators.

2.4 Confidentiality, privacy and data protection and intellectual property

Suppliers shall safeguard and make only proper use of confidential information to ensure that company, worker, and patient privacy rights are protected.

Suppliers must keep trade secrets and other sensitive business-related data or information of PolyPeptide, its business partners or other third parties confidential at all times and must not disclose any such secrets or information to third parties or misuse any secrets or information for unlawful purposes.

Suppliers shall respect and safeguard the privacy of everyone they interact with, including employees, customers, suppliers, business associates and others. Any processing of personal data shall be limited in scope and duration to what is deemed necessary and in accordance with applicable data protection and privacy legislations. Suppliers shall have adequate policies and processes in place and apply effective technological and physical security measures to protect any personal data from any unauthorized access, use, damage, diversion removal or unintended disclosure.

2.5 Compliance with export and sanctions laws

PolyPeptide is keen to ensure that its products are used only for approved ethical and legal purposes and are not misused.

Suppliers shall comply with applicable trade sanctions and export control laws, including but not limited to US, EU and Swiss trade sanctions laws. PolyPeptide does not engage with persons or companies that have been placed by governments on sanctioned party lists.

2.6 Responsible sourcing and traceability

Suppliers are expected to have visibility over their own supply chain and implement responsible and ethical sourcing and purchasing practices.

Suppliers shall carry out due diligence on the source of raw materials to promote legal and sustainable sourcing, in particular to minimize environmental and social impacts. Upon request of PolyPeptide, Suppliers shall disclose information that shows the source and origin of raw materials provided to PolyPeptide.

2.7 Identification and reporting of concerns

Suppliers must encourage and provide (anonymous, when permitted by law) reporting channels for their employees to report any concerns in case of misconduct or unlawful activities in the workplace without any threat of intimidation, harassment or reprisal and in a confidential manner. Suppliers shall investigate such reports and take appropriate necessary corrective actions.

3 Labor and Human Rights

Suppliers shall recognize and be committed to upholding internationally recognized human and employment rights of their employees and treat them with dignity and respect.

3.1 Freely chosen employment (no modern slavery, human trafficking, child or forced labor)

The use of forced, bonded or indentured labor or involuntary prison labor is strictly prohibited. Employment is voluntary.

Suppliers must prohibit involuntary labor or work performed under the threat of penalty, including forced, prison, indentured labor, bonded labor, or other forms of slavery and/or servitude. Suppliers must avoid all use and forms of child labor in their business operations and act in accordance with the United Nations Global Compact principles, the International Labor Organization (ILO) labor standards and the OECD Guidance for Responsible Business. Where local laws are stricter by requiring a higher age for work or compulsory education, they precede.

Suppliers shall publicly declare zero tolerance of child labor in their own business operation and prohibit all forms of child or forced labor (including modern slavery and Human Trafficking) in their own supply chain network. We expect our suppliers to comply with all applicable laws and regulations on child labor, this includes, but is not limited to, stringent adherence to our [Global Supply Chain Policy on Child Labor](#). Suppliers must perform the necessary due diligence as specified by the OECD and in accordance with the Swiss Responsible Business Initiative (SRBI), especially when requested by PolyPeptide.

3.2 Non-discrimination

Suppliers shall maintain a workplace culture of inclusion, diversity and equal opportunity that is free of any form of discrimination. Suppliers shall strictly adhere to all applicable laws and regulations prohibiting discrimination in hiring and employment on the grounds of ethnic origin, race, religion, age, sex, nationality, color, gender identity or gender expression, sexual orientation, family situation, marital status, physical or psychological characteristics, disability, veteran status, political opinion, creed or other basis prohibited by law. Suppliers shall have channels/mechanisms in place and accessible to all employees to report any discriminatory actions.

3.3 Fair treatment

Suppliers shall provide their employees with a workplace where business activities are conducted with respect and that is free from inhumane treatment (including any kind of physical, sexual, or psychological abuse, verbal harassment, mental or physical coercion, systematic and persistent hostility or chicanery (“mobbing”) other forms of intimidation, or harsh and inhumane treatment) and free of threats of any such treatment.

3.4 Wages, benefits and working hours

Suppliers have to comply with all applicable local laws, regulations and industry standards concerning working hours, wages and mandated benefits. Wages and benefits paid for a standard working week shall meet at least legal or industry minimum standards and always be sufficient to meet basic needs of workers and their families according to local living conditions. Suppliers shall notify their employees of the method used to calculate wages, of requirement to work overtime and the wages to be paid for such overtime, in line with the applicable national laws and International Labor Organization (ILO) standards. Suppliers shall pay on time and in full for the work employees have done, prior to them freely leaving the employer, according to applicable laws.

3.5 Freedom of association

Suppliers shall respect the right of all employees, as defined in applicable laws, to associate freely, join or not join labor unions, seek representation, and/or join workers' councils. Suppliers are expected to create and maintain a culture where all employees (or their freely chosen representatives) are able to communicate openly with management about working conditions without fear of retaliation, intimidation, or harassment.

Where the right to freedom of association and collective bargaining is restricted under law, suppliers shall facilitate, and not hinder, the development of parallel means for independent and free association, bargaining and grievance raising.

4 Health and Safety

Suppliers shall provide their employees, customers, visitors, contractors, subcontractors and any others who might be affected by their activities, with a safe and healthy working environment in compliance with all applicable laws, regulations and industry standards.

4.1 Workers' health and protection

Suppliers should protect workers of all genders and age from unhealthy exposure to chemical, biological, psychological, and physical hazards (including physically demanding tasks).

Suppliers shall provide their employees with a working environment, that minimizes health and safety risks and supports accident prevention and ensures the health and safety of all personnel and all others affected by their activities.

A continuous improvement program to identify, measure and take actions to prevent accidents/incidents shall be in place.

4.2 Process safety

Suppliers shall have management processes in place to identify the risks from chemical and biological processes and to effectively prevent or respond to incidents associated with operations and processes that could result in catastrophic impact to people or to the environment, on and off site (such as catastrophic release of chemical, biological agents or other materials), including specific programs to prevent fire and explosion. Suppliers' actions shall be commensurate with the risks associated with the potential impact.

4.3 Emergency preparedness and response

Suppliers shall identify and assess emergency situations that could arise in the workplace and minimize their potential impact by implementing suitable emergency systems, plans and response procedures.

4.4 Hazard information and training

Suppliers shall provide employees and contractors with safety information regarding identified workplace risk and hazardous materials, including pharmaceutical compounds and pharmaceutical intermediate materials, as well as provide training on safety information.

5 Environment

Suppliers recognize that environmental responsibility is integral to producing high quality products. Suppliers commit to operate in an environmentally responsible and sustainable manner to minimize adverse impacts on the environment, particularly, to conserve natural resources, to avoid the use of hazardous materials where possible and to be engaged in activities that reuse and recycle. Suppliers shall commit their own upstream supply chain in this improvement process.

5.1 Environmental authorizations

Suppliers shall comply with all applicable environmental laws, regulations and industry standards, but at a minimum with this Supplier Code of Conduct. All required environmental permits, licenses, information registrations and restrictions shall be obtained and operational and reporting requirements followed.

5.2 Waste management

To limit waste generation, Suppliers shall implement a program to eliminate the use of non-critical single-use plastic in their operations. Suppliers shall have systems in place to ensure the safe handling, storage, recycling or reuse of waste coming from its activities. Industrial wastewater must be treated to avoid any release which can adversely impact the environment.

Suppliers manufacturing or handling Active Pharmaceutical Ingredients (APIs) and / or drug substances shall properly manage, control and / or treat effluents prior to release into the environment.

5.3 Air emissions

Any air emissions with the potential to adversely impact the environment shall be controlled and treated prior to atmosphere release. A monitoring program must be implemented to control treatment efficiency.

5.4 Decarbonization

Suppliers shall understand and work to minimize greenhouse gas emissions from their own operations and through their value chain by setting science-based targets. Suppliers shall implement a program to measure and minimize CO₂ emissions according to the Greenhouse Gas Protocol.

In this context, Suppliers shall take measures to improve their energy efficiency and shall prefer the use of renewable energy to limit CO₂ emissions related to their electric consumption to conduct their activities. Suppliers shall consider making a commitment through the global corporate renewable energy initiative RE100.

Suppliers must avoid emissions of greenhouse gases from refrigeration systems (e.g. HFCs). When possible, Suppliers shall consider the use of refrigerants which have lower global warming impact.

5.5 Spills and release

Suppliers shall have systems in place to prevent and mitigate accidental spills and releases to the environment. Emergency procedures must be in place to treat any accidental event presenting an environmental risk and personnel must be trained to apply them. In case of environmental impacts, Suppliers shall implement remediation measures.

5.6 Natural resource conservation

Suppliers shall take measures to improve efficiency, preserve natural resources (e.g. water, sources of energy, raw materials) and use them economically and responsibly, avoid the use of hazardous materials where possible and engage in activities that reuse and recycle.

6 Management Systems

Suppliers shall facilitate continuous improvement and compliance with the expectations of this Supplier Code of Conduct.

6.1 Commitment and accountability

Suppliers shall demonstrate commitment by allocating adequate financial, human and technical resources to be able to ensure compliance. Suppliers shall commit to establish and run effective governance and management systems across their organization.

6.2 Legal and customer requirements

Suppliers shall identify and comply with all applicable laws, regulations, standards and relevant customer requirements and require the same of their own suppliers.

6.3 Risk identification and management

Suppliers shall have mechanisms in place to regularly identify, evaluate and manage risks in all areas addressed by this document. Suppliers shall have adequate financial resources to assure business continuity and to maintain financial solvency.

6.4 Third party relationships

Suppliers shall not sub-contract or otherwise engage with third parties on behalf of PolyPeptide or represent PolyPeptide to third parties, without the prior written consent of PolyPeptide. Similarly, there is no assignment of the contract, without prior written consent of PolyPeptide.

6.5 Documentation and discipline

Suppliers shall maintain documentation necessary to demonstrate conformance with the principles set out in this Supplier Code of Conduct and compliance with applicable regulations and reporting requirements to PolyPeptide, both for its own operations as well as those of their agents, consultants, contractors, subcontractors and suppliers.

Suppliers must have established policies, rules, procedures, tools and indicators required to guarantee adherence to all areas contained in this Supplier Code of Conduct and to ensure that their suppliers, employees, agents, consultants, contractors and subcontractors are aware of their rights and responsibilities.

6.6 Communication, training and competency

Suppliers must use their best effort to communicate to all their employees, agents and their own suppliers and subcontractors the principles and expectations set forth in this Supplier Code of Conduct and undertake actions necessary and appropriate to assure their implementation.

Suppliers shall implement and maintain appropriate training programs and measures to support their managers and employees in gaining an appropriate level of knowledge, skills and abilities to meet the applicable principles and expectations as set forth in this Supplier Code of Conduct.

6.7 Continuous improvement and transparency

Suppliers are expected to continuously improve by setting performance objectives, executing implementation plans and taking necessary actions to correct deficiencies identified by internal or external assessments, audits, inspections and management reviews.

To support improved transparency in our supply chains and decarbonization of our business, we expect our suppliers to commit to set science-based targets for the reduction of greenhouse gas emissions, annually report ESG information and annually report climate data to PolyPeptide or PolyPeptide's selected assessment / audit partners in the course of PolyPeptide's supplier screening, assessment or audit. Suppliers must be fully transparent with PolyPeptide and any third-parties working on its behalf.

6.8 Contact for questions and raising concerns

PDF copies of this Supplier Code of Conduct are available at www.polypeptide.com.

Any questions related to this Supplier Code of Conduct should be addressed to your primary contact at PolyPeptide.

Any potential or actual non-compliance with or violation of this Supplier Code of Conduct or applicable laws and regulations by any Supplier of PolyPeptide shall immediately and firstly be reported to the respective primary PolyPeptide contact person which is responsible to ensure that such report is promptly sent to the Governance, Risk and Compliance Officer (the "GRC Officer") of PolyPeptide as set forth below. Any report of an incident to the GRC Officer of PolyPeptide may be made openly or on an anonymous basis by way of e-mail or phone call.

If the primary PolyPeptide contact person fails to take the necessary measures within a reasonable time period, including reporting to the GRC Officer of PolyPeptide, then a confidential and even anonymous, if desired, report can be submitted through the PolyPeptide whistleblower programs. For further information about PolyPeptide's whistleblower policies and hotline, please visit PolyPeptide's corporate website www.polypeptide.com/investors/corporate-governance/.

Please contact the Compliance Team of PolyPeptide by e-mail (compliance@polypeptide.com) or by mail (PolyPeptide Group AG, GRC Officer, Neuhofstrasse 24, 6340 Baar, Switzerland).

