

Supplier Code of Conduct of the Ypsomed Group

1 Introduction

Ypsomed endeavours to achieve a high level of service and to ensure professional and conscientious business conduct in all its activities. Ypsomed thus incorporates social and ecological factors alongside economic considerations into its decision making process. This includes the establishment of long-term, trusting relationships with suppliers that are characterised by openness and delivery reliability.

Ypsomed endeavours only to work with suppliers having an impeccable reputation. In this regard Ypsomed requires that suppliers not only comply with legal requirement but also assume their responsibilities towards employees, society and the environment.

The rules and principles set out in the present Supplier Code of Conduct shall apply worldwide for all Ypsomed suppliers and their employees. It lays in the sphere of responsibility of the supplier to ensure compliance by its own suppliers with these rules and principles.

The principles contained in this Supplier Code of Conduct are based on the following conventions and standards:

- the United Nations (UN) Global Compact Principles
- the Guidelines for Multinational Enterprises of the Organisation for Economic Cooperation and Development (OECD)
- Conventions of the International Labour Organization (ILO)
- the Code of Conduct of the Ypsomed Group

2 Business ethics

Ypsomed expects its suppliers to act in an ethical manner and with integrity. This shall include in particular the following aspects:

2.1 Integrity within business dealings

Suppliers shall refrain from all forms of bribery, corruption, extortion, breach of trust and misappropriation.

2.2 Fair competition

Suppliers shall follow business practices that are compatible with applicable anti-trust law. Suppliers shall engage in fair competition with their competitors.

2.3 Intellectual property

Suppliers shall respect intellectual property, including in particular patents, designs, business secrets, registered designs and trademarks, whether held by Ypsomed or a third party.

2.4 Data protection

Suppliers shall ensure protection of sensitive information and shall ensure that such information is treated in accordance with applicable laws and regulations.

3 Working conditions

Ypsomed expects its suppliers to comply with internationally recognised human rights and treat their employees with dignity and respect. This shall include in particular the following aspects:

3.1 Child labour and underage employees

The usage of child labour by suppliers is prohibited. Employees aged under 18 may only perform non-hazardous work, which does not impair their physical, psychological or emotional development.

3.2 Free choice of workplace

No form of forced or compulsory labour or involuntary prison labour may be operated within a supplier enterprise.

3.3 Prohibition of discrimination

Any discrimination at the workplace on the grounds of ethnic origin, gender, religion, creed, national origin, invalidity, age, sexual orientation, physical or mental disability, marital status, political opinion or any other characteristic protected by law must not be tolerated by suppliers.

3.4 Fair treatment

Suppliers shall treat their employees honestly, fairly and with respect and shall endeavour to ensure a correct treatment among employees. Any form of improper or inhuman treatment, including in particular sexual harassment, sexual abuse, corporal punishment, mental or psychological pressure, bullying or abuse of employees must be prevented.

3.5 Salaries and other benefits and working hours

Suppliers shall remunerate their employees in accordance with applicable laws and regulations, including those applicable to the payment of minimum wages, overtime and any social benefits required by law. Employees must be informed promptly of the basis upon which such remunerations are made. In addition, suppliers must comply with applicable rules on working hours.

3.6 Freedom of association

Suppliers shall recognise the right of employees to freedom of association in accordance with applicable laws and regulations.

4 Health, safety and the environment

Ypsomed expects its suppliers to take steps to secure the health and safety of their employees and of other persons affected by their activities and further to protect the environment. This shall in particular include the following aspects:

4.1 Legal provisions

Suppliers shall comply with legislation applicable to health and safety, environmental protection as well as any generally recognised principles regarding health and safety and environmental protection.

4.2 Worker protection

Suppliers shall offer their employees a safe and healthy working environment. Such environment must at least comply with the national standards applicable in the relevant country.

4.3 Product safety

The products manufactured by suppliers must not constitute a hazard to humans or the environment and must comply with legal requirements and recognised standards regarding product safety and must further comply with contractual specifications.

5 Management systems

Suppliers use management systems that promote compliance with applicable legislation and the principles set forth in this Supplier Code of Conduct and also to enable continuous improvement. This shall in particular include the following aspects:

5.1 Legal and other requirements

Suppliers shall comply with all applicable laws and regulations and shall abide by contractual agreements and recognised standards.

5.2 Commitment and responsibility

Suppliers shall make available appropriate resources in order to ensure compliance with the principles set forth in this Supplier Code of Conduct.

5.3 Risk management

Suppliers shall operate procedures that enable risks to be identified and managed in all areas covered by this Supplier Code of Conduct and all applicable statutory provisions.

5.4 Documentation

Suppliers shall substantiate their endorsement through appropriate documentation.

5.5 Training

Suppliers shall provide their managers and employees sufficient information concerning the content of this Supplier Code of Conduct in addition to applicable legislation, regulations and generally recognised standards.

5.6 Continuous improvement

Suppliers shall take appropriate steps to improve their efforts at ensuring sustainability.

6 Effective date

This Supplier Code of Conduct shall take effect on 7 September 2017.

7 Approval

Approved by the Management Board at its meeting held on 7 September 2017.