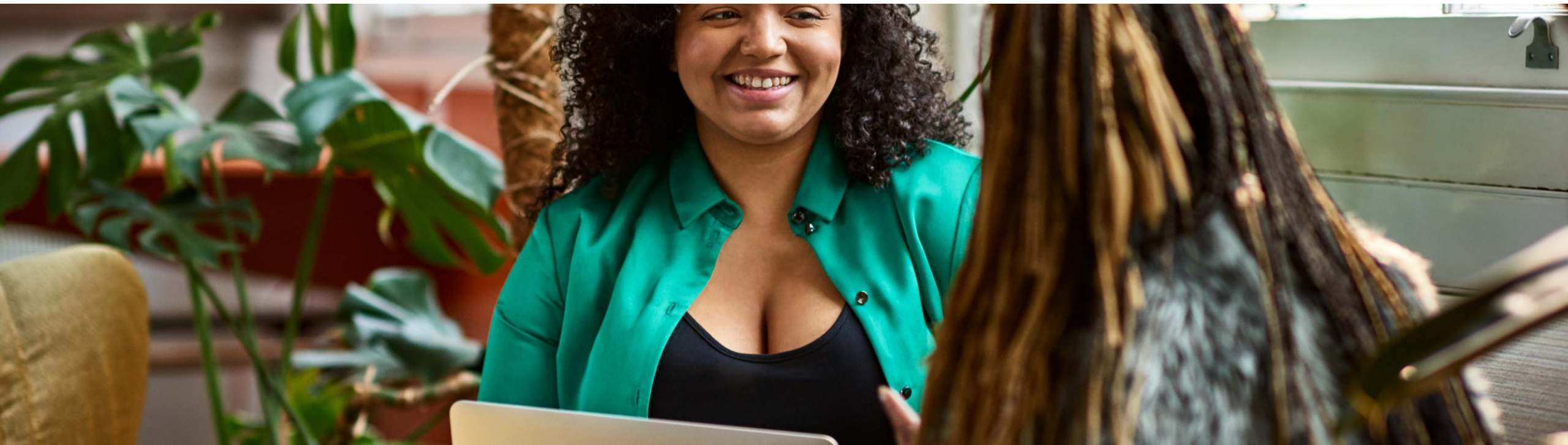


Supplying Goods or Services to Lonza

Overview of Supplier Code of Conduct

January 2023

Business Use Only





Lonza Touches the Lives of Many

Trust and Confidence of Stakeholders Matter

Values Ensure Consistent and Appropriate Behavior Worldwide

INTEGRITY

- Having the accountability, honesty and courage to speak up and do the right thing

INCLUSION

- Being supportive, respectful and responsible towards others

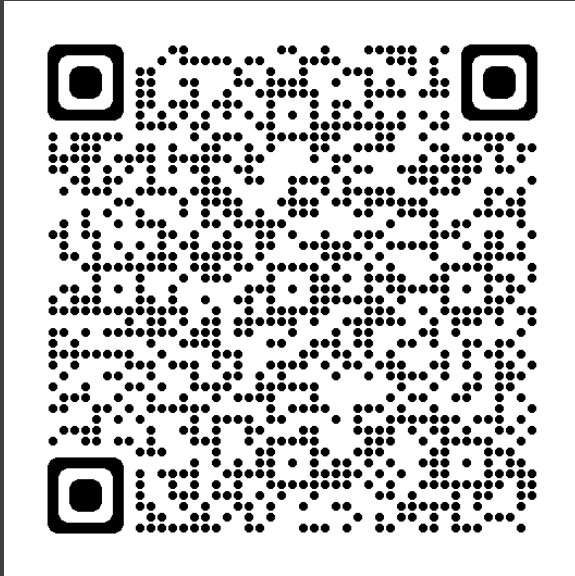
INNOVATION

- Being engaged, curious and enquiring to find the best possible solution

INITIATIVE

- Being self-driven, motivated and committed to focus and deliver

Lonza Supplier Code of Conduct



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Antitrust and Fair Competition

Fair Business Practices

Ethical and Fair Treatment

- Practices and policies
- Compliance with laws and regulations governing
 - Competition
 - Antitrust
 - Trade

Anti-Bribery Anti-Corruption (ABAC)

Avoiding Corrupt Payments Critical

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Conduct Careful Vetting to Work with Third Parties

- Due Diligence (“vetting”) includes
 - Gathering Information
 - Conducting research
 - Asking questions to reveal increased risk
 - Raising concerns
 - Considering and resolving red flags
- Move forward only with trusted third parties
 - Communicate regularly
 - Monitor the relationship by reviewing and assessing processes, negotiations, and expenses
- Watch out for
 - Reputational red flags
 - Operational red flags
 - Unusual relationships
 - Unusual situations

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Lonza's Expectations for Suppliers

- **Anti-Bribery Anti-Corruption (ABAC):** Corruption keeps societies and individuals from reaching their full potential. It is a leading obstacle to economic and social development globally. Lonza does business ethically and legally. We expect the same of our Suppliers.
- **Antitrust/Fair Competition:** Lonza is committed to the principles of fair competition and respects the laws restricting the operation of cartels and other monopolistic practices. We expect the same of our Suppliers.
- **Trade Compliance:** Lonza supports international efforts to prevent trade in technology, substances, and materials that can be misused for warfare or warlike activities, for the manufacture of illicit drugs or for other internationally prohibited activities. We adhere to all applicable trade sanctions and export control regulations. We expect the same of our Suppliers.





Non-Retaliation & Reporting

Speak Up Culture Improves Workplace

Success Depends Upon Actions and Behaviors

- Empower employees and create workplaces where all feel comfortable reporting concerns about misconduct they see, suspect, or learn about
- Expect everyone to comply with policies and the law including reporting known and suspected misconduct
- Prompt reporting allows timely investigations and remedies
 - Stop problem behavior from becoming systemic
 - Raise awareness
 - Foster culture of trust and transparency
 - Highlight training areas
- Do not cover up or keep quiet about misconduct because someone asks you not to report
- Lonza's helpline/hotline (www.EthicsatLonza.com)

Conflicts of Interest

Actual or Perceived - Can Be Damaging if Not Handled

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Most Conflicts are Reputational Concerns, not Legal issues

- *There's a common phrase, "It's not what you know, but who you know."* And anyone who's ever experienced this knows how unfair and demotivating it feels
- Recognizing and navigating conflicts of interest effectively helps ensure business is conducted fairly
- Occur when personal interests override or compete with the best interests of the company



Fair Dealing & Ethical Behavior

It's Not Just What You Do, But How You Do It

Deal Fairly

- Act in Good Faith
 - Honor commitments and obligations
 - Act with integrity
 - Set clear and reasonable expectations that you strive to meet
- Communicate Truthfully
 - Clarify (or correct) misunderstandings immediately
 - Make promises you can keep
 - Clearly and accurately describe products, services, prices, and other terms
 - Be candid and forthcoming with business partners
- Avoid Unethical Conduct
 - Gaining an unfair advantage
 - Concealing or misrepresenting facts
 - Manipulating customers, suppliers, or business partners
 - Disparaging competition
 - Acting in a way that would embarrass you or the company if it became public



Unethical Behavior Rarely Results from a Plan to Do So – More Often it Occurs with Opportunity, Convenience, or Desperation

- Signal 1: Conflicting Goals
 - Ex: Cutting corners to achieve performance goals that seems unattainable
- Signal 2: Believing No One Will Notice or Will Catch You
 - Ex: Rationalizing the behavior “nobody pays attention” or “nobody cares”
- Signal 3: Using Neutral Terms to Describe Questionable Actions
 - Ex: “Massaging the data” or “creative accounting”
- Signal 4: Increasing tolerance for unethical behavior (it gets easier the more often you do it)





Responsible Sourcing

Data Privacy, Data Integrity, Data Security

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Know Your Business Partners

- No conflict minerals
- Due Diligence
- Known country of origin
- Sustainably and legally obtained raw materials
- Technical and organizational methods include consideration of and compliance with privacy and information security requirements (and ideally, best practices)
- Access, collection, storage, and use of information monitored properly
- Intellectual property rights honored

Fair Treatment of People

- Fair Working Hours, Wages and Benefits
- Freedom of Association & Right to Bargain Collectively
- Training and Development
- No Discrimination
- Free choice to work (no modern slavery, no human trafficking, no forced labor)
- Health & Safety Protected
- Environmental Safety (properly handled waste and emissions)





Regulations Across World

Enforcement from Multiple Countries and Agencies
Cross-Border Investigations and Cooperation Increasing

Rules Impact Lonza and Companies We Do Business with

- United States Sentencing Commission Incentivizes Self-Policing,
 - August 2022 Report
 - [The Organizational Sentencing Guidelines: Thirty Years of Innovation and Influence \(ussc.gov\)](https://ussc.gov/the-organizational-sentencing-guidelines-thirty-years-of-innovation-and-influence)
 - Accountability for Companies
- Criminal Prosecutions Higher for Companies without E&C Programs
 - 33,000,000,000 USD in fines for companies; average per = 9M USD
 - 89.6% of companies prosecuted had no program
 - 69.1% offenders sentenced to probation lasting on ~ 39 months (avg)
- What Regulators Assess:
 - *Sr Leadership Oversight; Corp Culture & Integrity; E&C Program Resources; Risk Assessment Process; Third Party Risk Management; Policies, Procedures & Controls; Reporting, Investigation Function & Remediation; M&A diligence and function; Incentives & Discipline; Auditing, Improvements, Testing & Monitoring; Operationalizations and Coordination w/ other Functions*