Lloyd, living with epilepsy

Responsible sourcing standards for business partners

Inspired by patients. Driven by science.
Dear Business Partners,

In today’s world full of environmental and social challenges, we also acknowledge our responsibility to drive positive change. We envision sustainability as a true business approach and we will focus our efforts on four areas that we believe are critical to our long-term success and our contribution to society alongside our financial performance: continuously innovate to bring differentiated medicines to patients, improve patient access to our solutions, promote our employees’ safety, health and well-being and minimize our environmental footprint.

UCB’s purpose is to create value for patients, now and into the future.

Our ambition for patients relies on our innovation ability to bring differentiated solutions with unique outcomes that help specific patients achieve their life goals and that create the best individual experience for them. This also means ensuring access for all who need these solutions, in a way which is viable for patients, society and UCB.

We believe that, to fulfil our ambition for patients, we must create the right conditions for our employees, the communities in which we operate, and our shareholders. We cannot do this alone and we embrace partnerships with other healthcare system stakeholders.

Jean-Christophe Tellier,
Chief Executive Officer (CEO)
UCB

Evelyn de Monceau, Chair of the Board, UCB
Jean-Christophe Tellier, CEO UCB
Responsible Sourcing Program

UCB has decided to take responsibility for its part in achieving a better and more sustainable future for all; We strive to conduct our business in an economically viable, socially responsible and environmentally sound manner.

Knowing that the United Nations Sustainable Development Goals\(^1\) require a global effort, we need our partners to embark on that journey as well. By powering together into stronger sustainability initiatives, we can all be sure to do good while doing well.

The program aims to:

1. engage with business partners to improve ethical, social and environmental performance throughout our supply chain; and
2. mitigate risks and protect the reputation of UCB.

In the spirit of this commitment, we expect from our business partners a general compliance with all applicable laws and regulations in all countries where they conduct business, and adherence to the minimum standards defined below, inspired from the UN Global Compact’s\(^2\) ‘Ten principles of supply chain sustainability’, when doing business with UCB. We expect our business partners to minimize the environmental impact of their operations, secure the safety and health of their workers, execute the fair and timely remuneration of their workforce, ensure the welfare of experimental animals used for research, and act with integrity while doing business. UCB also expects business partners to apply these, or equivalent standards, in their own supply chain.

We recognize that many of our business partners operate in different legal and cultural environments, and that interpreting and implementing these requirements may be challenging. Therefore, we strongly encourage our business partners to initiate dialogue and engage with UCB if compliance with these standards cannot be achieved.

Responsible sourcing standards

The standards are classified into 7 categories: human rights, labor practices, environment, ethics and compliance, innovation & R&D, Data & Technology and subcontractors.


\(^2\) [https://www.unglobalcompact.org/what-is-gc/mission/principles](https://www.unglobalcompact.org/what-is-gc/mission/principles)
Human Rights

Businesses should support and respect the protection of internationally proclaimed human rights and make sure they are not complicit in human rights abuses.

Business partners are required to comply with all applicable laws, respect human rights, and act with due diligence to avoid infringing on the rights of others (as expressed by the International Bill of Human Rights and the principles set out in the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work).

Labor Practices

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced and compulsory labor, the effective abolition of child labor, and the elimination of discrimination in respect of employment and occupation.

Business partners shall respect the human rights of workers and treat employees with dignity and respect. Specifically, we expect our partners to adhere to the following requirements on labor practices:

Wages and benefits

Business partners shall pay employees at least the legal minimum wage or the local prevailing industry standard, whichever is greater, including all legally mandated benefits, medical insurance, social insurance and pensions (in full and on time).

Business partners are encouraged to ensure that their employees receive wages that are sufficiently cover the cost of accommodation, health care, nutrition, clothing and education for the employee and any dependent children.

Working hours and holiday

Business partners shall not breach local regulations on working hours and shall remunerate overtime in accordance with local laws and regulations as a minimum.

Employees, including those on temporary contracts, shall not be required to work more than 60 hours a week, including overtime, on a regular basis (or the maximum legal working hours if less than 60). If required, overtime shall be voluntary and communicated with the employee. Overtime shall be remunerated at a rate higher than the hourly rate.

Employees shall be entitled to at least one day off per week and shall receive paid annual leave and holidays in accordance with local laws.

In the absence of local laws on holidays, employees shall be entitled to at least three weeks’ annual paid holiday.
Wage deductions, either as a disciplinary measure or as any other deduction not provided by national law, shall not be permitted without the express permission of the worker concerned. All disciplinary measures shall be recorded.

Child labor
Business partners shall neither recruit nor employ child labor. The minimum working age shall be 15 or the minimum local employment, whichever is higher.

Young workers, i.e. those above the minimum age but younger than 18, may only be employed for non-hazardous work.

Freely chosen employment
Business partners shall not use forced or involuntary labor ("all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily")

Employers shall not retain workers' identity papers or withhold deposits from workers.

Workers shall have a written copy of their employment contract detailing the terms and conditions of their employment.

Freedom of association and collective bargaining
Business partners shall respect the freedom of association and the effective recognition of the right to collective bargaining.

Freedom of association implies respect for the right of all employees and workers to freely and voluntarily establish or join organizations of their own choosing. Collective bargaining refers to a voluntary process or activity through which colleagues and workers discuss and negotiate particular terms and conditions of work and the regulation of relations between employers, workers and their organizations.

Inclusion and Non-discrimination
Business partners shall not discriminate in neither their hiring nor their employment practices (e.g. promotion, remuneration, training opportunities) on grounds of race, caste, national origin, religion, age, disability, gender, marital status, pregnancy, sexual orientation, union membership or political affiliation.

UCB encourages workplace inclusion, gender equality and prohibits harassment or discrimination of any kind.

Workers shall not be subjected to medical tests that can be used in a discriminatory way. All reasonable efforts should be made to accommodate colleagues with disabilities.

3 https://www.ilo.org
Fair treatment of employees
Business partners shall treat their employees with respect and dignity, without subjecting them to any kind of cruel/inhuman/degrading punishment, physical/verbal/sexual abuse, or threat of abuse/harassment.

Health, safety & well-being
Business partners shall provide their employees with a safe, healthy and hygienic workplace (and accommodations, when provided by the company). We consider the effective management of health, safety and well-being (including preparedness and response to emergencies) to be a high priority and an integral part of our business.

Environment
Business partners should support a precautionary approach to environmental challenges, undertake initiatives to promote greater environmental responsibility, and encourage the development and diffusion of environmentally friendly technologies.

UCB is committed to maintaining high standards of environmental protection and to minimizing environmental impact. Our goal is to develop and produce medicines for people with severe diseases in the most environmentally sustainable way possible. This means reducing our carbon footprint, our water consumption and our waste production across our entire value chain.

UCB therefore takes a conscientious approach to environmental challenges and encourages Business Partners to adopt ambitious strategies to environmental footprint reduction, to promote greater environmental responsibility and to develop and implement environmentally friendly technologies.

Nearly 60% of UCB’s carbon footprint relates to our upstream value chain. Therefore, we expect our suppliers and partners to join us in reducing this footprint. You will find more information related to our commitment to the Science Based Targets initiative on our website.

Ethics and Compliance
Businesses should work against corruption in all its forms, including extortion and bribery.

History has shown that failure to maintain high legal and ethical standards in our industry can compromise patient safety, interrupt the ability to manufacture and/or supply products, and lead to significant financial penalties and job loss; Any of which may interfere with our mission of improving patients’ lives. Criminal sanctions can be imposed on both those who have either engaged in (or authorized) unlawful conduct and UCB.

Business partners shall therefore comply with all laws and regulations on bribery, corruption and prohibited business practices applicable in the specific country and not engage in any form of bribery, corruption, extortion or embezzlement.

Business partners shall not give or receive bribes to obtain undue or improper advantages. Business partners shall also refrain from offering expensive gifts and extravagant entertainment to UCB’s employees in an attempt to influence business decisions.
Innovation and R&D

Biopharmaceutical Research

UCB takes public concerns about animal use and welfare in biopharmaceutical research seriously. Business Partners using animals for research purposes on behalf of UCB should use them appropriately and responsibly while compiling with all applicable laws and industry standards. Whenever possible, Business Partners should replace animals by alternative methods or reduce the total number of animals used.

Business Partners should also fully comply with the legal and regulatory requirements governing the ethical sourcing of human biological samples.

Medical Scientific Practices

Compliance with laws and international and local industry codes and/or local codes relating to medical scientific practices is mandatory.

Clinical Trials

Business partners shall observe all external guidelines, regulations, and principles of current GLP, GCP and GMP.

We require our business partners to:
1. ensure the safety, rights, integrity, confidentiality and well-being of clinical trial patients/healthy volunteers by applying proper scientific and ethical values;
2. ensure that the interests and well-being of trial patients/healthy volunteers shall always prevail over the interests of science, society and commerce;
3. ensure that all trial participants are enrolled voluntarily in clinical trials through appropriately provided information and freely given informed consent. Patients/healthy volunteers must always be able to withdraw from trials without providing a reason;
4. ensure that special consideration is shown to vulnerable trial patients/healthy volunteers (including children, elderly, unconscious or mentally incapacitated persons);
5. ensure that staff involved in executing clinical trials are appropriately qualified;
6. maintain a quality system that ensures compliance with the above-mentioned guidelines and principles.

Data and Technology

Data Privacy, Personal Privacy and Confidential information

UCB and those working on its behalf are responsible for the privacy and security of the personally identifiable personal information they collect and maintain through their relationship with UCB.

Laws to protect personally identifiable information are intended to protect people who provide personal information, including—but not limited to—medical information, by requiring the recipients of such information to provide a full description of how such information will be used and how it will be protected from misuse. The disclosure of confidential medical information is prohibited in many countries, unless pursuant to the data subject’s written informed consent.

During the course of the relationship, some Business Partners may be exposed to proprietary or highly sensitive information in nature. These Business Partners are bound by the non-disclosure requirements defined in our contracts or confidentiality agreements. This means it is the duty of each Business Partner to
protect this information and not to disclose any such information except to those individuals who have a legitimate business need to know and who are also bound by confidentiality requirements. At a given time, it is possible that the proprietary or highly sensitive information to which you are exposed or have access, becomes inside information as defined in article 7 of the Market Abuse Regulation nr. 596/2014. At such stage, the general market abuse rules and prohibitions (summarized in the UCB Dealing Code), including the prohibition of insider dealing and the prohibition of unlawful disclosure of inside Information, will apply to you. A breach of such rules may lead to personal criminal sanctions. In such situation, you will also typically be included on an insider list and be informed thereof by the UCB Insider Trading Compliance Officer and you will be invited to comply with the applicable rules and restrictions.

**Technology**

Access to / the development of systems or applications must be approved by a business process or data owner and, as relevant, by the user’s UCB management representative

**Sub-suppliers**

UCB’s suppliers are required to inform their own suppliers of products and services to UCB (ie UCB subcontractors) of the standards set out in this brochure. UCB Agents or wholesalers shall likewise ensure that suppliers of UCB products and services meet these standards.

On request, suppliers shall inform UCB of all subcontractors that are used to produce our products.
Responsible sourcing assessments and engagement

UCB gives preference to business partners who share our values and adopt the right behaviors.

We therefore reserve the right to assess whether our business partners are observing these standards. To this end, UCB (or third-party companies) might request information to assess compliance to our responsible sourcing standards. We require our business partners to maintain and disclose the necessary documentation to demonstrate observance of these standards and compliance with applicable regulations. If corrective actions or improvement plans are needed after the assessment, we require our partners to be committed and engaged in undertaking the appropriate measures to improve performance within agreed timescales.

UCB maintains the right to terminate a relationship if the non-compliance is considered to be extreme or if the business partner is not willing to collaborate to make recommended improvements within the agreed timescales.

It is important that our business partners are honest, open and transparent about the level of compliance with these standards during assessments. This will facilitate better collaboration and partnerships to improve performance.

You will find more information about our Responsible Sourcing initiatives here.