



Responsible Sourcing Standards for Business Partners

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Inspired by patients.
Driven by science.

Dear Business Partners,

Today's society faces significant challenges, from the rise of social inequalities to the climate crisis. We believe that businesses have a responsibility to drive positive change. **It is clear for us that collaboration with all our partners for the greater good is the only way forward.**

We are committed to creating value for patients now and into the future, and we recognize that delivering on this purpose and driving positive impact is a journey we cannot undertake alone. Collaboration with third parties who share our core values and our strong commitment to sustainability is essential to achieve this goal.

We envision sustainability as a true business approach, and we focus on key areas which are critical to our long-term success and our contribution to society.

By adhering to these Standards, we can ensure that our joint journey is paved with **integrity**, and a sense of **responsibility towards the communities we serve and the planet we inhabit.**

We are excited to go on this journey with you and to continue building a responsible value chain.



Jean-Christophe Tellier
Chief Executive Officer, UCB

Responsible Sourcing at UCB

As a biopharmaceutical company, we must make **responsible decisions** that guarantee both **human** and **environmental health**. This includes the selection of our Business Partners.

We consider our **Business Partners** as an **extension** of our commitment to drive sustainable **business growth**. With this in mind, we have developed our **Responsible Sourcing Program**, which aims to:

- 1) Engage with Business Partners to improve environmental, social, and ethical performance throughout our value chain, and
- 2) Mitigate risks, protect the reputation and the business continuity of UCB.

We expect from our Business Partners a **general compliance with all applicable laws** and regulations where they conduct business, **in addition to the adherence to the minimum Standards included in this document**.

These Standards do not replace local law or labor agreements. Where adherence to the Standards would violate local law or collective bargaining agreements, we expect Business Partners to comply with local requirements while **respecting the underlying principles** of this document.

We also expect Business Partners to apply these, or equivalent standards, in their own upstream value chain (including any subcontractors), building and using their leverage in business relationships.

Even if Business Partners have developed their own standards or policies, we expect that they **understand our expectations** and make sure their **own policies are consistent with the UCB Standards** laid out in this document.

These Standards are aligned with the [Ten Principles of the UN Global Compact \(which UCB is a member of\)](#), the [Pharmaceutical Supply Chain Initiative \(PSCI\) principles](#), our UCB's Code of Conduct, [Anti-Bribery and Anti-Corruption Policy](#) and [Human Rights Policy](#).

We recognize that our Business Partners might operate in different legal and cultural environments, and that they might face difficulties when implementing these Standards. If that is the case, we strongly encourage our Business Partners to **initiate dialogue and engage with us** to develop an appropriate improvement plan.

1. Human Rights

Business Partners shall support and **respect internationally proclaimed human rights**, and make sure **they are not complicit in any human rights violations**.

Business Partners shall comply with all applicable laws on this matter and **respect the internationally recognized¹ Human Rights** of internal and external rightsholders, as well as **act with diligence** to avoid infringing on them. Business Partners are expected to follow the **United Nations Guiding Principles on Business and Human Rights (UNGPR)** as well as the **OECD Guidelines for Multinational Enterprises on Responsible Business Conduct** and are strongly encouraged to **conduct due diligence on Human Rights**.

Business Partners shall respect the rights of the **local communities** around their sites including the right to a **clean and healthy environment**.

In case of a **perceived risk of a violation** of human rights, Business Partners shall **notify UCB**, and the steps being taken to avoid or mitigate such a violation. Any notification shall be sent through the [UCB Integrity Line](#).

¹ We refer to the International Bill of Human Rights, the principles concerning fundamental rights set out in the International Labor Organization's Declaration on Fundamental Principles and Rights at Work and the United Nations Guiding Principles on Business and Human Rights.

2. Labor Practices

Business Partners shall **treat all workers with dignity and respect** and follow fair employment practices.

2.1 Wage and Benefits

Business Partners will pay workers according to applicable laws or to the local prevailing industry standard, whichever is greater, including all legally mandated benefits, medical insurance, social insurance, parental and holiday leave, and pensions (in full and on time). Business Partners are strongly encouraged to pay a **fair wage** aligned with the cost of living in their respective regions (living wage).

Business Partners are expected to regularly review and adjust their wage structures to ensure a **decent standard of living for their workers**.

2.2 Working hours

Business Partners shall not breach applicable laws or collective agreements on working hours and shall remunerate overtime hours accordingly. **Overtime work will be voluntary**, and workers will not have to work more than **48 hours a week** on a regular basis, or **60 hours a week** including overtime. Business Partners are expected to communicate whether overtime is needed and the wages to be paid for it.

Overtime shall be remunerated at a rate higher than the hourly rate and workers shall be given breaks and appropriate leaves per local laws, ILO standards, collective agreements and/or industry benchmarks.

2.3 Child labor

Business Partners shall **not use Child Labor**. The minimum working age shall be fifteen or the country's legal age for employment, whichever is higher. **Young workers**, i.e., those above the minimum age but younger than eighteen, shall only be employed for **non-hazardous work** and as long as they are above the age established for completing compulsory education.

2.4 Freely chosen employment

Business Partners shall not use **forced, bonded, indentured, or involuntary labor**, take part or be complicit in human trafficking or any form of **Modern Slavery**. No worker shall pay for a job or be denied freedom of movement.

Business Partners shall not retain workers' identity papers or withhold deposits from workers. Workers are free to leave their jobs after reasonable notice and Business Partners shall pay their wages on time and in full upon leaving.

Business Partners shall recruit **foreign migrant labor** responsibly, and shall not require any recruitment fees, deposits to secure their job or similar.

Workers shall have a copy of their **employment contract** detailing the terms and conditions of their employment or work.

2.5 Freedom of association and collective bargaining

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

Where the **right to freedom of association and collective bargaining** is restricted under law, Business Partners shall not hinder the development of parallel means for independent and free association and bargaining. **Workers will be able to communicate openly** with management about working conditions without fear of retaliation, intimidation, or harassment.

Business Partners are encouraged to resolve workplace and compensation issues through open communication, **direct engagement**, and **social dialogue**.

2.6 Diversity and Non-discrimination

Business Partners shall **not discriminate** in neither their **hiring** nor in their **employment practices** on grounds of race, ethnicity, national origin, religion, age, disability, gender, marital status, pregnancy, sexual orientation, language, expression of opinion, health status, union membership or political affiliation.

Business Partners shall promote and maintain **workplace diversity, equal opportunity, inclusion**, free from discrimination of any kind. Workers shall be made aware of how they can **report incidents of discrimination** or any unfair employment practice. Business Partners shall enforce a **non-retaliation policy** for workers to express concerns about the workplace.

All reasonable efforts should be made to accommodate colleagues with disabilities.

2.7 Fair treatment

Business Partners shall provide a work environment **free of harassment**, cruel and inhumane treatment, including any verbal, physical or sexual abuse, corporal punishment, and shall give no threat of any such treatment.

3. Health, Safety & Wellbeing

Business Partners shall comply with all applicable **health and safety laws and regulations**, provide **safe and healthy working conditions**, and support the **wellbeing of workers**.

3.1 Work Safety, Health & Wellbeing

Business Partners shall adequately assess any risk in these matters, including **occupation and process hazards**, and properly **ensure the safety of workers** by preventing and mitigating these risks.

Business Partners shall make available safety information relating to **hazardous materials** and use such information to **educate, train, and protect workers** from hazards. Business Partners shall maintain good housekeeping practice and a **culture of safety**.

Business Partners shall develop and distribute **emergency plans** across their facilities and surrounding communities and implement suitable response procedures.

Business Partners shall **protect workers** from **unhealthy exposure** to chemical, biological, and physical hazards. Appropriate equipment, facilities and services shall be provided to support workers' safety, health, and wellbeing.

3.2 Process Safety

Business Partners shall have actions in place to **identify the risks from chemical and biological processes** and to **prevent the catastrophic release** of chemical or biological agents.

4. Environment

Business Partners shall **act with greater environmental responsibility** to minimize and mitigate adverse impacts on the environment.

4.1 Environmental authorizations and reporting

Business Partners shall comply with all **applicable environmental laws** and regulations, including having all required environmental permits, information registrations and licenses, and apply **precautionary measures to avoid negative impacts** on the environment for the protection and livelihood of people and communities.

Business Partners shall be **transparent about their environmental practices** and performance via **public regulatory disclosures** or well-established global **reporting frameworks**.

4.2 Greenhouse Gas Emissions

Business Partners shall **measure, monitor, disclose and reduce their GHG emissions** and encourage their suppliers to do the same. Business Partners shall **set and validate Science-Based Targets** to reduce their GHG emissions and publicly report their progress towards such target.

Business Partners shall **provide UCB specific environmental data** of the product or service provided when required. Upon request from UCB, Business Partners shall have the relevant environmental data verified by an independent third party.

4.3 Resource efficiency, biodiversity, and waste

Business Partners shall strive to **improve resource efficiency**, including using secondary raw materials and water conservation, favoring **materials that are sourced ethically** and responsibly.

Business Partners shall understand their impacts on **Biodiversity**, reduce and mitigate their negative impact wherever possible.

Business Partners shall **minimize the generation of waste** through refurbishing, reusing, or recycling, as well as appropriately manage, control, and treat any **waste, wastewater, or emissions** with the potential to adversely impact human or environmental health, prior to their release into the environment.

4.4 Water quality

Business Partners, especially the ones who manufacture or formulate **Active Pharmaceutical Ingredients (APIs)** and/ or drug substances shall **manage manufacturing effluents** to avoid any water quality impacts on the receiving aquatic environment. Such Business Partners shall, if

required, be able to demonstrate that they conduct **risk assessments**, and have established controls to minimize discharge of APIs into the environment.

Business Partners supplying API shall also be required to demonstrate **water quality performance** to UCB through disclosure of API residues in wastewater as well as the method of quantification (e.g., mass balance calculation, sampling with sufficiently sensitive methods, or others) and the PEC/PNEC² results.

4.5 Spill and Releases

Business Partners shall have processes and systems in place to **prevent and mitigate any spills and releases to the environment** which impair the natural foundations for the preservation and production of food or prevent access to clean drinking water, impede or destroy the access to sanitary facilities or harm the health of a person.

² Predicted Environmental Concentration, Predicted No-Effect Concentration.

5. Product Quality

5.1 Product protection

Business Partners shall ensure that management and security systems **protect products, components**, and ingredients from the risks of adulteration, falsification, or theft for the purpose of illegal resale.

5.2 Product quality and Good Manufacturing Practices

Business Partners shall ensure that they are providing materials, products and services that comply with applicable laws, regulations, health authority standards, industry guidance and any additional customer requirements.

Business Partners shall strive to provide products and services with a **lower carbon footprint** and **responsibly sourced**.

Business Partners shall observe, where applicable, all external guidelines and requirements of current **Good Manufacturing Practices**.

6. Ethical Business Practices

Business Partners shall **conduct their business responsibly, ethically and shall act with integrity.**

6.1 Anti-bribery and corruption

Business Partners shall comply with all laws and regulations on bribery, corruption and prohibited business practices applicable in the respective countries. Any forms of bribery, corruption, extortion, or embezzlement are prohibited.

Business Partners shall **not give or accept bribes** or **take part in other corrupt inducements** in business or government relationships, or through intermediaries, to secure an unfair advantage or commit acts of bribery. Business Partners shall ensure they have **adequate systems in place to prevent corruption** and comply with applicable laws.

Business Partners shall also refrain from offering expensive gifts and extravagant entertainment to UCB's employees in an attempt to influence business decisions.

6.2 Conflict of interest

Business Partners shall take reasonable care to **identify and avoid conflicts of interest to the fullest** extent possible. Business Partners are expected to notify all affected parties if an actual or potential conflict of interest arises.

6.3 Fair competition

Business Partners shall conduct their business consistent with **fair and vigorous competition** in compliance with all applicable **anti-trust** laws. Business Partners shall employ fair business practices including accurate and truthful advertising.

6.4 Patient safety and access to information

Business Partners shall ensure that adequate management systems are in place to minimize the risk of adversely impacting on the rights of patients, subjects, and donors, including their rights to health and to access information directly.

6.5 Data privacy and security

Business Partners shall safeguard and make only proper use of **confidential information**. Business Partners shall comply with applicable **privacy and data protection laws**, and be aligned with industry standards, to ensure the protection, security, and lawful use of all information and personal data.

7. Innovation and R&D

7.1 Biopharmaceutical research

Animals shall be treated humanely with pain and stress minimized. Animal testing should be performed after consideration of the **3R bioethics principles** to replace animals, to reduce the numbers of animals used, or to refine procedures to minimize distress. Alternatives should be used wherever these are scientifically valid and acceptable to regulators.

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

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

7.2 Clinical Trials

Business Partners shall observe all external guidelines, regulations, and principles of current **Good Laboratory Practices** and **Good Clinical Practices**. 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.

8. Governance & Management Systems

Business Partners shall use appropriate systems and mechanisms to identify and manage risks in all areas addressed by these Standards.

Good governance, management systems and using leverage in business relationships are the **foundation for compliance with these Standards**. Business Partners shall use appropriate systems to conduct due diligence on risk and impact, monitor legislation, set priorities, assign responsibility, adopt risk-mitigation measures, and facilitate continual improvement and compliance.

8.1 Culture, commitment, and accountability

Business Partners shall demonstrate **commitment** to the concepts described in these Standards by allocating **appropriate resources** and creating a culture of responsible practices.

8.2 Risk management

Business Partners shall have mechanisms to determine and **manage risks** in all areas addressed by these Standards.

8.3 Training and competency

Business Partners shall have a **training program** that achieves an appropriate level of knowledge, skills, and abilities to address the requirements and expectations in these Standards.

8.4 Documentation and audit right

Business Partners shall maintain documentation necessary to **demonstrate conformance with these Standards** and compliance with applicable regulations. 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.

We reserve the right to assess whether our Business Partners are observing these Standards. UCB or a third-party appointed by UCB may **audit a Business Partner** at any time, upon reasonable notice, to assess compliance with our Standards. UCB maintains the right to terminate a relationship if the non-compliance is extreme or if the business partner is not willing to collaborate to make recommended improvements within the agreed timescales.

8.5 Continuous improvement

Business Partners are expected to **continually improve** by setting performance objectives and executing implementation plans. Business Partners shall take necessary corrective actions for

deficiencies identified by internal or external assessments, inspections, and management reviews, including the recording and reporting of near-misses, incidents, and incident prevention opportunities.

8.6 Grievance mechanisms

Business Partners shall establish grievance mechanisms accessible to internal and external stakeholders who shall be encouraged to use them to report concerns, illegal activities, or breaches of these Standards without retaliation or threat of retaliation.

Business Partners shall also inform their workers that they can use our [UCB Integrity Line](#) to report any suspicion or complaint of non-compliance with these Standards without retaliation or threat of retaliation.

Definitions

- 1) **Biodiversity:** The variability among living beings from all sources including, inter alia, aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species and of ecosystems.
- 2) **Business Partners:** This means the following third parties (external natural or legal entity outside UCB Group):
 - a. Suppliers, as entities from whom UCB sources goods or services, including Contract Manufacturing Organizations (CMOs), institutions and collaborators conducting research for or on behalf of UCB, Contract Research Organizations (CROs), Contract Development Manufacturing Organization (CDMOs).
 - b. Distributors, wholesalers, or third parties handling UCB's products where ownership has not been transferred to the third party.
 - c. Healthcare professionals (HCPs), only when such HCP provides a good or a service against a fee for a service beyond their profession as an HCP (for example, consultancy).
 - d. Joint Venture Partners.
 - e. Licensing Partners.
- 3) **Child Labor:** Labor by children below the local minimum working age, the age of compulsory education or the ages set out in the International Labor Organization Core Conventions (whichever is higher).
- 4) **Human Rights:** Internationally recognized human rights by the International Bill of Human Rights, the principles concerning fundamental rights set out in the International Labor Organization's Declaration on Fundamental Principles and Rights at Work and the United Nations Guiding Principles on Business and Human Rights.
- 5) **Modern Slavery:** Modern slavery is an umbrella term encompassing the risks posed by forced labor, prison labor, indentured labor, bonded labor, debt servitude, state-imposed forced labor, and the worst forms of trafficking where coercion, threats or deception are used to intimidate, penalize, or deceive Workers thereby creating situations of involuntary work and exploitation. Modern slavery may also be associated with the worst forms of Child Labor.
- 6) **Standards:** Responsible Business Standards included in this document.
- 7) **Science-Based Targets:** A GHG emissions reduction target in line with the scale of reductions required to keep global temperature increase well below 2°C above pre-industrial temperatures, following the guidance from the Intergovernmental Panel on Climate Change ([IPCC](#)). Science-based targets should be validated by a third party or follow an internationally recognized framework like the Science Based Targets Initiative ([SBTi](#)).