

## Vetter

# Modern Slavery Statement 2018

**Pursuant to the California Transparency in Supply Chains Act of 2010 and Section 54 of the UK Modern Slavery Act of 2015, the Vetter group of companies (“Vetter”) provides the following statement to set out the steps taken by Vetter during the fiscal year ending 31<sup>st</sup> December 2018 to prevent modern slavery and human trafficking in its business and supply chains:**

As a premier contract development and manufacturing organization (CDMO), Vetter is a global leader in the pharmaceutical fill & finish business and, as a family-owned, independent company with facilities in Germany and the US, as well as offices in Singapore, Japan and South Korea, we are fully committed to establishing, maintaining and improving systems and processes to prevent modern slavery both in our own operations and our supply chain.

Vetter realizes that today modern slavery can occur in many different forms such as coerced, forced or compulsory labor, child labor, domestic servitude, human trafficking, sex trafficking and workplace abuse. Therefore, throughout this statement we use the term "[modern slavery](#)"<sup>1</sup> to encompass these various forms of coerced labor.

Vetter believes in the protection of human rights globally both in our own facilities as well as within our supply chain. To this end, we have established an integrated approach to compliance across our business also comprising risks related to modern slavery. Our commitment to these issues and to compliance in general is outlined in our [Vetter Code of Conduct](#)<sup>2</sup> and in our [Vetter Supplier Code of Conduct](#)<sup>3</sup>. We have invested significant time and resources in creating an effective and efficient compliance management system and strive to collaborate with our customers and suppliers to support industry-wide improvements.

## 1. Corporate Policies

### a) Vetter Code of Conduct

Our general commitment to compliance is outlined in our Vetter Code of Conduct, meanwhile updated to a second version, that sets forth our code of ethics and covers the values and principles by which we conduct business worldwide. Our Code of Conduct confirms our commitment to honesty, integrity, social and environmental responsibility and to mutual trust and respect in every relationship of which we are part of. It provides information about the integrity standards that Vetter requires all employees and business partners, such as suppliers and customers, to follow, including standards relating to diversity, non-discrimination and anti-harassment. The Vetter Code of Conduct is applicable to, and complied by, every Vetter employee worldwide. We aim to extend the reach of our Code's main principles to our trusted business partners as well.

<sup>1</sup> A definition of modern slavery according to Transparency in Supply Chains Act can be found online under [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/649906/Transparency\\_in\\_Supply\\_Chains\\_A\\_Practical\\_Guide\\_2017.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/649906/Transparency_in_Supply_Chains_A_Practical_Guide_2017.pdf), Annex A page 17.

<sup>2</sup> Vetter's Code of Conduct can be found online under <https://www.vetter-pharma.com/en/about-us/corporate-social-responsibility/corporate-compliance>

<sup>3</sup> Vetter's Supplier Code of Conduct can be found online under <https://www.vetter-pharma.com/de/fremdfirmen>

#### b) Vetter's Supplier Code of Conduct

Our expectation towards our suppliers is to fully comply with all applicable laws, rules and regulations of the countries in which they do business as set out in our Supplier Code of Conduct meanwhile updated to a second version as well. This includes, but is not limited to, the requirement that our suppliers commit to ethical business conduct and fair labor and employment practices such as prohibiting and refraining from any kind of child labor, forced labor, slavery or bondage in their organization and compliance with the applicable national laws regarding labor rights, work hours and wages. Vetter encourages its suppliers to select its subcontractors on the principles of Vetter's Supplier Code of Conduct and to encourage subcontractors to comply with the minimum standards set forth therein. Furthermore, suppliers are encouraged to report compliance concerns. Since its implementation in 2015, the Vetter Supplier Code of Conduct is negotiated as part of Vetter's agreements with suppliers.

## 2. Risk Awareness

Regular performance of compliance risk analysis is an essential part of Vetter's compliance management system. Based on published country risk profiles e.g. for corruption<sup>4</sup> and modern slavery<sup>5</sup>, we conduct business partner due diligence. For this purpose, in 2018 we started to develop a risk-based process for the systematic conduct of a compliance business partner due diligence.

## 3. Accountability Standards

Vetter's goal is to work with suppliers who embrace and comply with the principles of Vetter's Supplier Code of Conduct, and in turn, to have these suppliers encourage compliance from any sub-supplier with whom they work in the delivery of any materials or services for Vetter. Vetter's Supplier Code of Conduct foresees Vetter's right to review and audit suppliers' compliance with Vetter's Supplier Code of Conduct. To the extent permitted by law and contractual provisions governing termination rights, we reserve the right to terminate relationships with third parties, including suppliers, who conduct business in a manner that conflicts with Vetter's Code of Conduct or Vetter's Supplier Code of Conduct.

Vetter employees who do not comply with the provisions of Vetter's Code of Conduct may be subject to disciplinary action. Unless otherwise prohibited by law, disciplinary action may include termination of employment.

## 4. Training

#### a) General Compliance Training

In 2018 most Vetter employees received compliance training either by face-to-face training in case of disciplinary supervisors or e-learning. Vetter's Code of Conduct and Supplier Code of Conduct as well as our Compliance e-learning, are available in English and German.

<sup>4</sup> See Transparency International's Corruption Perceptions Index which measures the perceived levels of public sector corruption worldwide under <https://www.transparency.org/cpi2018>

<sup>5</sup> see <http://www.globalsslaveryindex.org>

Vetter's 2018 compliance training for disciplinary supervisors incorporated real case scenarios derived from the compliance risk analysis exercise. Amongst the focus areas covered were prevention of modern slavery and increasing awareness for the requirement of conducting risk based business partner due diligence to identify, amongst others, risks of modern slavery in the supply chain. Employees are encouraged to raise questions and concerns.

## 5. Monitoring

Vetter monitors modern slavery risks based on the geographic locations in which we source materials from suppliers necessary - as well as based on the business segment in which we operate by reviewing published country risk profiles for corruption and modern slavery and sharing these within our organization. Vetter also implemented a Whistleblowing Hotline which allows employees and external partners to raise, and thus the Vetter Compliance Office to pursue possible compliance complaints.

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Udo J. Vetter

Handwritten signature of Thomas Otto in blue ink.

Thomas Otto

Handwritten signature of Peter Sölkner in blue ink.

Peter Sölkner