

Lonza – UN Global Compact Communication on Progress 2011

About Lonza

Lonza is one of the world's leading suppliers to the pharmaceutical, healthcare and life science industries. Products and services span its customers' needs from research to final product manufacture. It is the global leader in the production and support of active pharmaceutical ingredients both chemically as well as biotechnologically. Biopharmaceuticals are one of the key growth drivers of the pharmaceutical and biotechnology industries. Lonza has strong capabilities in large and small molecules, peptides, amino acids and niche bioproducts which play an important role in the development of novel medicines and healthcare products. Lonza is also the world leader in microbial control providing innovative, chemistry-based and related solutions to destroy or to selectively inhibit the growth of harmful microorganisms. Its activities encompass the areas of water treatment, personal care, health and hygiene, industrial preservation, materials protection, and wood treatment. In addition, Lonza is a leader in cell-based research, endotoxin detection and cell therapy manufacturing. Furthermore, the company is a leading provider of value chemical and biotech ingredients to the nutrition and agro markets.

Lonza is headquartered in Basel, Switzerland and is listed on the SIX Swiss Exchange and secondary listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

Statement of continued support from Rolf Soiron

"There are good reasons why Corporate Social Responsibility is a fact of life in the business world of today. One way Lonza recognizes this is through membership of the UN Global Compact. The UN principles are not just something written on paper that we pay lip service to, but part of day-to-day life at Lonza, involving all our locations. Safety at work is the number-one priority. It is heartening to report that, after good progress in previous years, we were able to keep the accident rate in 2011 at a low level; it is currently 1.7 per million hours worked (lost-time injuries frequency rate)."



Rolf Soiron, Chairman of the Board of Directors and CEO ad interim

Principle	Actions / Policies	Reference
Human Rights		
Principle 1: <i>Business should support and respect the protection of internationally proclaimed human rights; and ...</i>	In our global policy “Code Of Conduct”, we have defined that all employees are expected to know the law as it applies to their sphere of responsibility; management is expected to provide appropriate training and guidance, especially to respect human rights and employment rights.	http://www.lonza.com/about-lonza/global-citizenship/standards/code-of-conduct.aspx
Principle 2: <i>... make sure that they are not complicit in human rights abuses.</i>	It is in manager’s responsibility to monitor the compliance; all departments are regularly supervised by our Audit Services department.	http://www.lonza.com/about-lonza/global-citizenship/standards/code-of-conduct.aspx

Labour		
<p>Principle 3: <i>Business should uphold the freedom of association and the effective recognition of the right to collective bargaining; ...</i></p>	<p>The Code of Conduct provides the basis for creating and maintaining the relationship of mutual trust which is essential to business success. It expresses explicitly that we consider fairness in our dealings with employees to be of paramount importance. It is our commitment to the corporate social and ethical responsibility, the respect for human rights and employment rights. Local management and human resources work closely together with employee representatives, work councils and unions in all countries and regions according to the specific laws and agreements.</p> <p>All existing contracts with unions are renewed on a regular basis in order to meet employee labor interests.</p> <p>Arch integration (following the acquisition of Arch Chemicals, Inc.)</p> <ul style="list-style-type: none"> • Lonza is respecting all existing work-related agreements, existing union relations will be continued • All Arch legacy sites and countries in Europe will be integrated in the existing European Works Council. 	<p>http://www.lonza.com/about-lonza/global-citizenship/standards/code-of-conduct.aspx</p>
<p>Principle 4: <i>...the elimination of all forms of forced and compulsory labour; ...</i></p>	<p>Our Code of Conduct is applied to all actions and activities of Lonza in the pursuit of a high level of social responsibility and as such also crucial element against forced and compulsory labour.</p>	<p>http://www.lonza.com/about-lonza/global-citizenship/standards/code-of-conduct.aspx</p>



<p>Principle 5: ...effective abolition of child labour; and ...</p>	<p>In our Code of Conduct, all managers are committed to act in compliance with the law. In addition, our supplier policy is banning explicitly all forms of child labour at our suppliers.</p>	<p>http://www.lonza.com/about-lonza/global-citizenship/standards/code-of-conduct.aspx</p>
<p>Principle 6: ... the elimination of discrimination in respect of employment and occupation.</p>	<p>Our Code of Conduct is explicitly banning any form of discrimination; all managers are obliged to act accordingly. Lonza is not tolerating any discrimination, harassment or bullying on the basis of ethnicity, national origin, color, religion, creed, age, sex, disability or any similar characteristic.</p>	<p>http://www.lonza.com/about-lonza/global-citizenship/standards/code-of-conduct.aspx</p>

Environment		
<p>Principle 7: <i>Business should support a precautionary approach to environmental challenges;</i> ...</p>	<p>We take on our responsibility in the area of environmental protection, health and safety, and towards our employees, human society and the natural environment. The safety and health of our employees, the well-being of our stakeholders and the minimization of our impact on the natural environment remain a Group priority. The Group is committed to operations and practices, which prevent harm to people and damage to environment or property. Our principles are laid down in the Group EHS policy; we communicate each year in the Annual Report on sustainability and performance, and we listen and respond to our stakeholders.</p> <p>All our manufacturing processes are systematically assessed for their risks. Lonza applies the same risk assessment matrix worldwide, which incorporates ecological, economic and social aspects.</p>	<p>Corporate Citizenship website: http://www.lonza.com/about-lonza/global-citizenship.aspx</p> <ul style="list-style-type: none"> - Standards: http://www.lonza.com/about-lonza/global-citizenship/standards.aspx - Sustainability: http://www.lonza.com/about-lonza/global-citizenship/sustainability.aspx - Management: http://www.lonza.com/about-lonza/global-citizenship/management.aspx <p>EHS policy: http://www.lonza.com/about-lonza/global-citizenship/management/policies.aspx EHS section of Annual Report: http://www.lonza.com/about-lonza/investor-relations/financial-reports.aspx</p>

<p>Principle 8: ...undertake initiatives to promote greater environment responsibility; and ...</p>	<p>Lonza facilities are member of the Responsible Care program in Switzerland and of SOCMA's ChemStewards program in the US. At all facilities worldwide, Lonza promotes the cycle of continual improvement for environmental, health and safety issues</p> <p>Examples are initiatives like CoPE (energy savings), horseshoe crab conservation (endotoxin detection), MODA green alternatives (paperless, efficient QC microprocesses).</p>	<p>Sustainability homepage: http://www.lonza.com/about-lonza/global-citizenship/sustainability.aspx</p> <p>CoPE initiative: http://www.lonza.com/about-lonza/global-citizenship/management/climate-change.aspx</p>
<p>Principle 9: ...encourage the development and diffusion of environmentally friendly technologies.</p>	<p>The development of the microreactor technology enables Lonza to fulfill its Green Chemistry mission. As classical manufacturing in the pharmaceutical industry currently produces more than 25 kg of waste for every kilogram of product, dramatic changes were required in process systems,</p> <p>In 2003, Lonza began developing a more sustainable manufacturing platform using advanced continuous flow technologies. At the heart of the technology are MicroReactors, special processing instruments designed to create "Factories of the Future."</p> <p>The results of such a transformation are more sustainable, greener, and economical processes for producing a wide range of pharmaceuticals.</p> <p>Our solar power engagement in Germany and Singapore helps develop and promote a fossil-free energy future.</p>	<p>Microreactor technology: http://www.lonza.com/custom-manufacturing/chemical-manufacturing/advanced-chemical-synthesis-acs/continuous-flow-technologies/microreactors-and-green-chemistry.aspx</p> <p>Solar power: http://www.lonza.com/about-lonza/global-citizenship/management/climate-change.aspx</p>

Anti-Corruption		
<p>Principle 10: <i>Business should work against corruption in all its forms, including extortion and bribery.</i></p>	<p>Lonza has implemented a Code of Conduct containing amongst others rules on Corporate Social Responsibility, bribery, conflict of interest, antitrust, insider trading etc.</p> <p>Lonza’s suppliers are obliged to comply with Lonza’s Supplier Code of Conduct which deals amongst others with anti-corruption, anti-bribery.</p> <p>Lonza offers a Whistleblower Hotline which is operated by an external company</p> <p>All new Lonza employees have to mandatorily complete an online training appropriate to their role within the Lonza such as anti-corruption and anti-trust</p> <p>Lonza plans to implement a periodical refresher training</p>	<p>http://www.lonza.com/about-lonza/global-citizenship/standards/code-of-conduct.aspx</p>