Lonza

Lonza Forced Labour Report

Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act

Business use only

This report is made in compliance with Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "Act") by the Lonza affiliates set forth in the attestations ("Lonza" or "we").

This report has been prepared for the calendar year ended December 31, 2025.

Lonza's Board of Directors, as the principal governing body, approved the report pursuant to section 11(5) of the Act on the dates set forth in the attestations.

Who We Are

Lonza is the world's largest contract development and manufacturing organizations (CDMOs) dedicated to serving the healthcare industry. Working across five continents, the global Lonza team of approximately 20,000 colleagues works alongside pharma and biotech companies to turn their breakthrough innovations into viable therapies. This enables customers to bring life-saving and life-enhancing treatments to patients worldwide with a combination of cutting-edge science, smart technology and lean manufacturing.

Our company generated sales of CHF 6.5 billion with a CORE EBITDA of CHF 2,1 billion in Full-Year 2025. Find out more at **www.lonza.com**

What We Do

Every day, our products and services have a positive impact on many people's lives. As much as this is a great privilege, it is also a great responsibility. Responsible business is both an ethical and a business imperative for Lonza. Our purpose of making the medicines of tomorrow includes our responsibilities across environmental, social and governance (ESG) areas. We are committed to ethical business practices and sustainability in how we work. Every employee is trained regularly to fully understand and uphold these principles. Our respect for human rights is foundational in every place we operate. We take an active approach to provide value to stakeholders. Our partnerships and our community involvement initiatives generate sustainable value for society. As we contribute to communities, employees, customers, shareholders and suppliers, Lonza's values of collaboration, accountability, excellence, passion and integrity remain central to all we do, and adherence to these values is monitored on our premises and throughout our supply chains through assessments, surveys, data analytics and evaluations.

To manage supply chain complexity and mitigate ESG risks, our Procurement Team includes category managers and site-based buyers. They develop and implement category strategies and manage the selection of suppliers and negotiation of terms on behalf of our Business Platforms and enabling functions. This approach enables us to embed responsible sourcing criteria across our business relationships. All activities are based on our Procurement Policy, which includes the fundamental principles of responsible sourcing. A Responsible Sourcing Standard Operating Procedure (SOP) was implemented to provide more detailed guidance for the program's implementation.

The breadth and diversity of our business is reflected in our supply chain, which involved approximately 13,500 suppliers in 2025. Approximately 1,700 are direct material suppliers ranging from basic chemicals, and naturally derived materials such as gelatine to high-end systems and consumables for biopharmaceuticals or specialized components for cell and gene therapy production.

How We Work to Ensure Our Supply Chains Are Free of Forced Labour and Child Labour

Our responsible sourcing approach focuses on embedding ESG principles and compliance with applicable regulations within our procurement management processes. Dialogue and close collaboration with our suppliers are both essential for achieving responsible consumption and production, in alignment with our ambitions under Sustainable Development Goal 12, Responsible Consumption and Production. Our responsible sourcing program provides a comprehensive view of sustainability and decarbonization aspects along our supply chain.

Our responsible sourcing program, aligned with the OECD Due Diligence Guidance for Responsible Business Conduct, is an integral component of our sourcing process. Our buyers use this transparency to ensure adherence to these Conduct principles and to continuously improve sustainability and decarbonization performance across the value chain.

Our Supplier Sustainability Initiative for Existing Suppliers aims to identify, measure and mitigate the ESG risks of our existing suppliers, including conflict minerals and child labour. To determine a theoretical risk level for all suppliers and prioritize further follow-up, we conduct desktop supplier ESG risk classification using a methodology developed by Integrity Next, which is based on online indices of ESG risks, related to geographies, countries (e.g., UNICEF's Children's Rights in the Workplace Index) and industries.

Suppliers classified by business stakeholders and Procurement as strategic or critical are further evaluated based on our Supplier Sustainability Risk Evaluation Framework, following prioritization criteria, such as purchasing volume and actual or potential sustainability risks. We use EcoVadis online questionnaires and Together for Sustainability (TfS) on-site audits to evaluate suppliers within this framework. For other suppliers, alternative types of sustainability evaluations are accepted, such as the Integrity Next self-assessments. All applied evaluation methodologies include environmental criteria (including climate and energy), social standards (including child labour), ethics, and health and safety, among others.

Based on the risk evaluation results, we work with selected suppliers to devise a corrective action plan (CAP) in EcoVadis, support with CAP implementation and monitor progress until a re-evaluation takes place. In 2025, we also completed several key supplier site audits and communicated where compliance gaps were found. We continue to track their resulting remediation plans.

In 2025, the most significant negative environmental and social impacts identified were gaps in supplier sustainability management systems, mostly for suppliers located in Europe, Central Asia and North America. Common areas for improvement included inconclusive policies and measures related to the human rights due diligence of suppliers. We also saw a lack of reporting on environmental topics, specifically waste management, as well as on discrimination and harassment.

In 2025, no supplier relationships were terminated following an environmental and social assessment.

Child and Forced Labour Due Diligence Program and 2025 Findings

We have put in place a due diligence process in relation to child and forced labour, which consists of the following elements:

- A supply chain policy reflecting child and forced labour due diligence obligations, which is publicly communicated in the form of our **Supplier Code of Conduct**. It clearly communicates our expectations to our suppliers and promotes respect for human rights
- Reporting tools regarding concerns around child and forced labour in the supply chain through our Ethics and Compliance Hotline, as well as due diligence alert systems
- A risk management process based on the likelihood of occurrence and severity of adverse impacts to identify, assess, eliminate, prevent, minimize or mitigate the risks of potential and actual cases of child or forced labour in the supply chain
- Traceability measures through the addition of supplier country information in our risk identification process

As part of our due diligence process, we differentiate between three levels of child and forced labour risk:

- An actual risk is identified in case of controversies or negative events confirmed via a supplier sustainability evaluation, alerts systems or external sources. If a confirmed child or forced labour incident occurs, we engage with the relevant suppliers to restate our expectations on human rights, initiate a dialogue on enhancing human rights due diligence in the supply chain and check that a remediation response is provided. In 2025, no confirmed child labour incident was identified in our supply chain.
- A potential risk is derived from performance gaps in a supplier's human rights and labour management system, as highlighted in the sustainability evaluation results. We focus on mitigating risks related to suppliers without evidence of policies or actions on combating child and forced labour in their operations and supply chain, by requesting them to work on Corrective Action Plans. In 2025 We identified three suppliers, located in APAC, with potential risks of child labour and triggered corrective actions for all of them.

- A theoretical risk is identified based on their location (country) and industry related risks. In such cases, we request our suppliers to perform a sustainability evaluation to confirm that they have child and forced labour risk management systems in place. Based on the results, suppliers are then prioritized for further due diligence through the Supplier Sustainability Initiative for Incumbent Suppliers. In 2025, we identified five suppliers, mainly located in Asia, with theoretical risks of forced labour and will engage with them on preventive measures in 2026. We did not identify any suppliers with theoretical risk of child labour.

More information is available on our website: **Responsible Sourcing | Lonza** and in our **2025 Sustainability Report**.

Training

We provide training and capacity-building programs for our employees, contingent workers and suppliers, through the TfS Academy, a learning platform provided by TfS, and through our Ethics and Compliance learning platform for employees and contingent workers.

In 2025 our Ethics and Compliance training included mandatory annual Code of Conduct training for employees and certain contingent workers, including a segment on human rights and our guidelines regarding Freely Chosen Employment (no modern slavery, human trafficking, child or forced labour) within our own operations and in our supply chain.

We have also embedded the TfS Academy into our Procurement learning pathways. These mandatory pathways are customized to the employees' role (operational, strategic or advanced procurement) and include courses on key Responsible Sourcing topics (e.g. supplier decarbonization, conflict minerals, supplier engagement on sustainability).

How We Have Remediated Forced Labour and Child Labour Incidents

In 2025, we did not identify any human rights related reports, including reports related to forced labour, human trafficking, or child labour applicable to our operations or supply chain.

How We Assess the Effectiveness of Our Policies and Processes

To ensure the ongoing effectiveness of our responsible sourcing approach, we have implemented a regular review process of our Supplier Code of Conduct and Responsible Sourcing SOP, related to forced labour and child labour. These documents are regularly scrutinized to ensure alignment with international standards such as those set forth by the International Labour Organization (ILO) and the UN Guiding Principles on Business and Human Rights. We also integrate stakeholder feedback and stay attuned to emerging best practices in the field.

We have established a robust set of key performance indicators (KPIs) to monitor the success of our responsible sourcing program. These KPIs serve as measurable benchmarks for tracking progress and driving continuous improvement. For instance, we monitor the percentage of spend sourced from suppliers who have undergone sustainability evaluations focusing on human rights issues among other ESG areas. Additionally, we track improvements in supplier practices over time, allowing us to assess the tangible impact of our efforts and identify areas for further enhancement.

We also engage in an EcoVadis assessment to evaluate the performance of our responsible sourcing program. This external independent assessment provides a structured evaluation through the Sustainable Procurement EcoVadis pillar, enabling us to benchmark our performance against industry peers and identify areas for improvement. The resulting scorecard offers a clear picture of our strengths and weaknesses, allowing us to prioritize actions and allocate resources effectively. In 2025, we were awarded the Gold Medal from EcoVadis, with a higher score in sustainable procurement compared to previous years – an acknowledgment of our advanced and effective management system for responsible sourcing. Our current EcoVadis scorecard does not contain any improvement areas to be implemented on child labour or forced labour in sustainable procurement.

Furthermore, we collaborate with industry peers, through our membership in TfS Initiative, to share best practices, leverage resources, and address systemic challenges related to human rights risks, such as child labour and forced labour, in supply chains. We provide training and capacity-building programs for our employees and suppliers, through the TfS Academy, to raise awareness of forced labour and child labour issues and ensure compliance with our policies and standards.

We are committed to transparency in our efforts to combat forced labour and child labour. We regularly report on our progress and on how negative impacts within the supply chain are addressed in our sustainability reports and other public disclosures.