



UCB Modern Slavery Act 2023 Statement



Inspired by **patients**.
Driven by **science**.

Introduction

This statement is made pursuant to section 54 of the UK Modern Slavery Act 2015.

UCB is a global group of companies under the holding company UCB S.A., incorporated in Belgium.

This statement is prepared for the following UCB companies operating in the UK:

- UCB Pharma Limited,
- Celltech R&D Limited,
- Zogenix International Limited,
- UCB Celltech (the UK registered establishment of UCB Pharma SA), and
- UCB Biopharma UK (the UK registered establishment of UCB Biopharma Srl).

This statement refers to the financial year ending 31 December 2023 and sets out the steps we have taken to address modern slavery risks in our business and supply chains.



UCB structure, operations and supply chain

UCB is a global biopharmaceutical company operating in 36 markets, committed to delivering long-lasting value to people living with neurological and immunological diseases, acting with focus and care, and prioritizing sustainability as our business approach. We research, develop, manufacture, distribute, market and sell pharmaceutical products. UCB is continuously working to advance science and embrace innovation. We are leveraging scientific advances and skills in areas such as genetics, biomarkers and human biology. Our scientists collaborate with leading researchers from academia and industry to advance science and deliver the solutions patients need. We make significant investments in biopharmaceutical research and development, and embrace technologies and scientific innovations to craft solutions that make a truly meaningful impact on the lives of those with severe diseases. Our open approach to innovation equips us to meet today's biggest healthcare challenges.

In 2023, we touched the lives of over 3.2 million patients worldwide by offering impactful medicines to communities around the globe. Total revenue in 2023 was €5.252 billion (£4.5 billion), to which the UK contributed €107million.

We employ over 9,000 employees across 36 countries, of which 9.5% are employed in the UK for the above listed entities. We also regularly utilise agency workers and consultants to supplement our workforce, some of whom work on-site at UCB premises and others who work remotely. UCB entities in the UK, as listed above, employed 9 contractors during 2023.

We have global commercial, research and manufacturing operations with our main research centres and manufacturing sites based in Europe, the US and Asia. The UK has commercial operations and is one of three research hubs. Further information on our business can be found in our [Annual Report](#).

UCB's supply chains are global and complex. Through our global supply chain organisation, we ensure end-to-end oversight of supply from raw material procurement to delivery, either through distribution centres or third-party distributors.

We partner with strategic suppliers, contract manufacturing organisations (CMOs) and contract research organizations for the purposes of

- supporting our research and development,
- production and delivery of medicines to patients, and
- to procure goods and services necessary to operate our business, such as IT, facilities management - and specialist agency support.

In 2023, above-listed UCB UK entities accounted for 1.4% of global spend.

Of this, nearly 80% was distributed across 41 suppliers, who provided labour, equipment, materials and supplies, professional and creative services and logistics. Of these 41 suppliers, 75% are UK-based companies, the remainder are based in Europe or the US.

Policies and governance

At UCB, we believe how we perform business is just as important as what we do. We strive to do business the responsible way – the ethical way – each and every day.

This reflects not just in how UCB and all colleagues commit to comply with all regulatory and legal requirements governing our activities as a pharmaceutical company, but also how we create a culture where ethics and compliance are embedded and where we are driven to act with integrity every day. We hold ourselves – and each other – to the highest standards, and our decisions are guided by our ethical principles:

- Trust is cultivated by our actions;
- Integrity is unconditional;
- Care is at the core;
- Transparency makes us stronger;
- Accountability powers our mission.

We strive to embed this commitment to ethics and business integrity through our corporate culture (for example, via performance objectives or vendor selection criteria), and all employees and third-party agents are expected to complete annual training on our [Code of Conduct](#). The UCB Code of Conduct is our governing policy that reflects UCB's core company values, including our commitment to sustainability and ethical business practices. The Code, available in 24 languages, outlines the general principles of business conduct that are expected from UCB colleagues and partners throughout the world; it reinforces the ethical principles and commitments which drive our decisions and actions. We are responsible for embodying our Code of Conduct, living by our commitments to each other and our stakeholders.

In addition, in July 2023, UCB issued our own [Human Rights Policy](#), available in 10 languages accompanied by training for internal and external employees. We have a zero-tolerance approach to any form of human rights abuses, including forced or child labour, modern slavery, or human trafficking. UCB and all colleagues are required to respect human rights and act with 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 (ILO) on Fundamental Principles and Rights at Work. We also affirm our commitment to the UN Guiding Principles on Business and Human Rights and implement them within UCB where appropriate.

We commit to avoid [improperly influencing the decisions or actions of others](#) with inappropriate promises of value, to prevent any adverse human rights impact in our business operations and the communities we operate in, and to hold our colleagues and all third parties to the same standards.

The Human Rights policy serves as a foundation to identify human rights of the highest priority (salience) and respective due diligence activities that focus on actions to drive continuous improvement of human rights practices. Priority areas were confirmed through a salience assessment which established the following areas for 2024:

- Third party related risks (notably labour rights, environmental impacts, corruption)
- Non-discrimination, non-harassment and fair treatment for UCB employees
- Clinical studies
- Artificial Intelligence
- Environment (connections between environmental and social impacts)
- Right to health

We have established a process and affiliated systems for employees to raise concerns and to protect reporters from retaliation and identification. Furthermore, the [UCB Integrity Line](#) is available on our corporate website allowing anyone outside of the organisation to report any concerns or questions concerning the Company and its policies and practices, concerns about unlawful conduct, or any other wrongdoing.

UCB's policies regarding employee rights and conditions (including those related to recruitment, hiring, discharge and promotion) aim to ensure that UCB's employees receive fair and reasonable remuneration commensurate with their job description and experience and that working conditions are compliant with local laws and UCB's ethical standards. UCB is committed to treating all employees with fairness and respect and will not tolerate any kind of discrimination or unfair treatment, such as may arise out of modern slavery.

As a company, we recognise that we have the moral responsibility and social obligation to make responsible decisions that guarantee both human and environmental health. At UCB, we have a key role to play to ensure a sustainable future for all. We believe that the best way to have a positive impact on society is by engaging with our suppliers and integrating into our supply chain requirements, specifications and criteria that are compatible with our sustainability strategy. The [Suppliers Code of Conduct](#) forms a key part of our efforts to drive sustainability, outlining UCB's set of values and principles that it expects suppliers should follow.



Training

In 2023, 100%¹ of UCB employees completed the mandatory Code of Conduct training²; 94% of UCB employees completed the Anti-Bribery and Corruption training and 100% of UCB employees completed training on UCB's human rights policy.

Third parties are also expected to acknowledge and adhere to the principles of the Code of Conduct, and this expectation is reflected in our Supplier Code of Conduct and in their legal agreements with UCB where necessary.

Risk management

Within Enterprise Risk Management at UCB, we maintain our commitment to our purpose, strategy and sustainable approach and seek to find new ways to manage risks and deliver impact in an increasingly volatile, complex, fast moving and ambiguous environment. Our approach to risk management is to educate and enable teams throughout UCB to identify and assess key vertical and transversal risks and plan for response. By analysing potential risk exposure, decisions can be made in a more informed manner.

UCB continues to demonstrate its commitment to managing uncertainty by creating accountability at the top and driving action by the business. Ownership and accountability for risk at each level sits with the relevant leadership team and every enterprise risk is overseen by a member of the Executive Committee who is accountable for understanding the nature of the risk and enabling our response to it.

In 2023, the core focus was to evaluate emerging risks that could affect our ability to achieve our long-term strategic ambition. We define risks as 'emerging' if we need to know more about how likely they are to materialize, or what impact they would have if they did. We investigate these further before deciding if they need to be classified as enterprise risks. Examples of key emerging risks identified in 2023 include the availability and impact of mass generative AI, impact of new disruptor events on supply chain, polycrisis preparedness, environmental crisis and the impact of disruptive information on UCB's value.

¹ Compliance rate is a sum of employees who have completed the training and employees who are still within the time-frame to complete and comply with the mandatory trainings.

² The Ethics and Compliance team collaborates with the Talent and Company Reputation team to promote timely completion of the training. This training includes training on human rights policies or procedures concerning aspects of human rights that are relevant to operations.

Third party supplier due diligence

Considering the nature of our operations, due diligence for our third-party relationships is an important part of our Ethics and Compliance Program.

UCB expects the same behaviour from consultants and others acting on behalf of UCB (supply chains, i.e., purchasing of goods and services).

UCB monitors our relationships with third parties, since this is the area where risks related to Human Rights are most likely to materialise, particularly in countries where we operate which may be regarded as higher risk. Any interactions with third parties are analysed to ensure that there is a need to engage with the third party and that activities are performed in an ethical way by partners. This includes reviewing any efforts third parties may take to conceal unethical actions such as bribes to foreign officials or other international business transactions. It also includes a review of compensation standards for industry/geographic region as well as tracking those third parties that do not meet our due diligence standards.

Our Code of Conduct, due diligence process and audits conducted by our Global Internal Audit team aim to mitigate these risks. UCB partners with [EcoVadis](#) to assess our suppliers on dimensions such as environmental protection, labour and human rights, and ethical business practices. We monitor human rights standards of strategic suppliers and potential suppliers via EcoVadis, where we ask for a minimum target score of 45/100, and via [Sphera](#), an online platform to monitor risk signals linked to fair labour practices, human rights, and ethical behaviours.

When risks are identified, we evaluate the severity and impact, decide on actions to take, monitor risk and document mitigating actions identified (such as corrective action plans with prioritized improvement initiatives) via our enterprise risk management system. A low to very-low EcoVadis score on the Labor and Human Rights pillar is also considered as a risk signal when deciding on-site audits to strategic suppliers.

In 2023, 91.6% of global rated suppliers have an EcoVadis score above 45/100 and 64% of our suppliers improved their EcoVadis score. Our spend coverage with suppliers with an EcoVadis score was 53%.

We also participate in peer initiatives to advance sustainability in the upstream pharmaceutical value chain and build capabilities needed by our direct suppliers. This includes the Pharmaceutical Supply Chain Initiative (PSCI) through which our suppliers can access different learning resources. For example, in 2023, the PSCI organized events to address the German Supply Chain Due Diligence Act, and gender equality in the workforce for suppliers located in India.



Sustainability

UCB is committed to sustainable practices in all our business operations. As we move towards compliance in alignment with the European Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) from 2024 onwards, our [Sustainability Statement](#) (page 84 onwards of the Annual Report) provides details of our sustainability reporting for the full year 2023 (including policies, targets, and performance on our material topics, including [Human Rights](#)).

UCB measures its conduct and performance in sustainability areas against Key Performance Indicators (KPIs). These include KPIs which are in line with the Global Reporting Initiative (GRI), a global standard for sustainability reporting, as well as progress on the UN Global Compact 10 Principles.

Collaborations

UCB joins forces with other pharmaceutical companies in the area of sustainability and is part of two important initiatives: the Responsible Health Initiative (RHI), and Pharmaceutical Supply Chain Initiative (PSCI) which both aim to leverage the influence, resources and expertise of other members. Both programs have their specific characteristics but have in common the aim to improve the visibility, efficiency, and sustainability impact of the global health supply chain. Through these initiatives, UCB pursues different objectives: increase visibility, improve recognition and collaboration, encourage, and build the sustainability performance of suppliers, share best practices and maximise our outreach. In 2023, UCB is also a corporate member of Business for Social Responsibility (BSR).

UCB is part of several industry coalitions, such as the Pharmaceutical Supply Chain Initiative, the American Chemical Society GCI Pharmaceutical Roundtable, and BioPhorum, as well as industry movements and coalitions to decarbonize the supply chain (e.g. Manufacture 2030 Activate Program). Our new [Supplier Recognition Program](#) acknowledges progress made by our business partners, while those at the start of their journey are supported by the UCB-sponsored [Energize Program](#) through tools and guidance to overcome energy market barriers and advice and access to renewable energy purchase opportunities.

Next steps

We have embarked on a journey to expand our efforts and make continued progress to respect human rights within our operations and throughout our supply chain. As part of a process started in 2022 to further implement requirements of the United Nations Guiding Principles on Business and Human Rights (UNGP), UCB rolled out in 2023 its new human rights policy and associated training. Implementation of the policy took place through assessments of changes to existing processes.

In the year ahead, we plan to identify the credible proxies representing value chain workers and evaluate feasible ways to engage with them beyond on-site discussions when conducting in-person audits and assess the effectiveness of the UCB Integrity Line as a grievance mechanism for value chain workers. We also aim to increase our spend coverage with suppliers with an EcoVadis score, targeting to achieve a 65% coverage for 2024.

This statement has been reviewed and approved by the Boards of Directors of the UCB entities listed and signed on behalf of each company respectively.

- Approved by the board of directors of Celltech Group Limited, the holding company of UCB Pharma Limited and Celltech R&D Limited, on 17 June 2024.
- Approved by the board of directors of Zogenix International Limited on 13 June 2024.
- Approved by the board of directors of UCB Pharma SA on 26 June 2024.
- Approved by the board of directors of UCB Biopharma Srl on 26 June 2024.

