

COMMUNICATION ON PROGRESS

I am pleased to reaffirm Tecan's support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption. In our third annual Communication on Progress, we describe our actions to integrate the Global Compact and its principles into our business strategy, culture and daily operations, with a focus on the action implemented during the course of 2021. We are also committed to sharing this information with our stakeholders using our primary channels of communication, including the sustainability report that is part of our Annual Report.

HUMAN RIGHTS

ASSESSMENT, POLICY AND GOALS

Tecan's goal is to influence our employees and all our business partners to respect the Universal Declaration of Human Rights. Furthermore, Tecan is committed to observing the international labor and social standards defined by the International Labor Organization (ILO), a specialized agency of the United Nations. The four basic principles of the ILO are freedom of association and the right to collective bargaining, the elimination of forced or compulsory labor, the abolition of child labor and the elimination of discrimination in respect of employment and occupation. Based on our commitment we have set up a Code of Conduct, published on our website, to make our position clear for all our suppliers, employees and partners. In our Code of Conduct it is clearly stated that Tecan embraces a culture of respect and equal opportunity, condemns any form of forced labor and exploitation of children and considers any form of harassment unacceptable. Tecan's employees receive Code of Conduct training when they join Tecan, and every two years after.

Additionally, Tecan has the goal of preventing human rights violations in its supply chain, including the use of conflict minerals (gold, tin, tantalum, or tungsten) that originate from sources whose profits support armed groups and human rights abuses, as described in Tecan's Product Environmental Compliance policy statement on Tecan.com.

IMPLEMENTATION

Tecan has taken measures to prevent human rights violations in its work locations. "Employment Handbooks" distributed to all employees of our different sites emphasize our culture of respect and equal opportunity and affirm our "zero-tolerance" attitude towards harassment, violence, discrimination and other unacceptable behaviors of such kind. Tecan's Code of Conduct, available at Tecan.com, also sets out expectations of all employees regarding acceptable ethical behavior. All employees received mandatory online training on the Code of Conduct principles, and Tecan regularly organizes interactive sessions at all its most sensitive sites, in order to give guidance for those situations which are more typical for certain specific locations.

Tecan employees and other stakeholders have the possibility of reporting incidents of misconduct, including violations of applicable laws, Tecan's Code of Conduct or other internal guidelines, over a dedicated whistleblowing platform run by the specialized third party provider EQS. This platform allows complaints to be filed by connecting to a web portal or contacting a

multi-language telephone hotline. Reports can be filed anonymously if preferred. The technology in use guarantees whistleblowers the highest possible standards of confidentiality.

To guard against human rights violations in Tecan's supply chain or via other business partners, Tecan revised its Supplier Code of Conduct in 2021, and will publish the new Supplier Code of Conduct on tecan.com, as well as outlining the actions planned to demonstrate compliance with this Code and with Tecan's Product Environmental Compliance policy, also available on tecan.com. In addition, in 2021 Tecan began using the ethiXbase third party screening tool to screen our distributors, as described in the "anti-corruption" section further below.

MEASUREMENT OF OUTCOMES

No Human Rights violations were found within Tecan or discovered in connection with Tecan's supply chain or business partners in 2021.

Tecan received 20 reports via the whistleblower platform in 2021, which corresponded to three internal cases. One case is still under investigation. Of the two resolved cases, in one, an independent Third Party contracted by Tecan concluded that no breach of Tecan's Code of Conduct was identified. The other revealed a breach of the provision in the Code of Conduct regarding Tecan's workplace culture of respect and non-discrimination, and to affirm Tecan's "zero-tolerance" attitude towards harassment and discrimination, Tecan took appropriate measures.

LABOUR PRINCIPLES

ASSESSMENT, POLICY AND GOALS

Tecan's "Employment Principles" establish the commitment to offer equal opportunities to each employee and exclude any discrimination on the grounds of race, color, gender, age, social class, religion, sexual orientation, politics, or disability. They also mandate the highest levels of workplace safety, health and security. These same principles recognize the necessity of a competitive remuneration in comparison to the local labor market and indicate qualifications, skills, contribution and responsibility as the only acceptable differentiation criteria among individuals.

IMPLEMENTATION

Relevant standards regarding Labour Principles are already mandated by the highly regulated environment Tecan operates in and therefore it has not been necessary to initiate specific actions to improve the working conditions of employees in general. Production processes and standards are also audited by relevant authorities. This is especially true for the matters concerning education and safety, which cannot be set at a level lower without compromising the market acceptability of our products. Therefore, all our employees regularly undergo online and "live" class-room trainings to improve their professional skills as well as their awareness in matters of health and safety. For example, production staff receive specific trainings for accident prevention. Furthermore, our production environment has to comply with strict requirements of temperature and hygiene, which also ensures comfortable conditions for the staff working on site.

In order to ensure fair compensation for all employees, Management reviews individual performances on a yearly basis and determines whether remuneration and benefits are proportionate or need to be improved. In 2021, Tecan carried out gender pay gap analysis for all employees in Switzerland, and the data analysis was approved by an independent auditor. No issues were identified.

In 2020 and 2021, Tecan conducted the independent Trust Index™ survey of “Great Place to Work”, a survey of all employees that provides a clear and accurate picture of the workplace culture. Thanks to anonymity, employee feedback is honest and response rates were exceptionally high, reaching 86% in 2021, compared to 78% in 2020. This gives an objective view of the current state of employee satisfaction with the important factors in the workplace culture, enabling companies to identify and develop strengths and potential. Follow-up improvement actions were identified and carried out, and the second Great Place to Work survey in 2021 has provided higher positive results, showing that the improvement actions were effective.

MEASUREMENT OF OUTCOMES

Tecan has a very cosmopolitan workforce, made up of employees from 70 countries. In 2021(Q3), the proportion of women in the workforce remained at 35.7%, similar to in 2019. The proportion of female managers increased to 28.2% (2019: 25.5%). Two of six positions on the Board of Directors are occupied by women.

The results of the survey “Great Place to Work” highlighted a high overall level of satisfaction among Tecan employees. Overall, 77% of all respondents said Tecan is a great place to work – a very good score and above the benchmark of other Swiss companies, and an increase from a score of 75% in 2020. The Trust Index™ score increased from 69% in 2020 to 73% in 2021. Tecan scored particularly well in areas related to people feeling safe in the workplace, and fair treatment regardless of race, disability, or sexual orientation, with more than 90% of employees giving positive responses to these questions, indicating ‘high’ and ‘very high’ levels of satisfaction.

ENVIRONMENTAL PRINCIPLES

ASSESSMENT, POLICY AND GOALS

Tecan attaches great importance to acting responsibly and in an environmentally friendly manner in the development, manufacture and global distribution of Tecan products as well as in all services it provides. In a Policy Statement for Product Environmental Compliance published on the corporate website, Tecan expresses its commitment to providing customers with safe, high-quality products and to comply with all relevant product environmental legislations. The Company strives to continually identify and realize opportunities to reduce the environmental footprint of its products during product design, manufacture, use and disposal.

The operations of Tecan have a relatively small direct environmental impact, because the production process focuses on the final assembly of a relatively small number of items. Tecan reports greenhouse gas emissions data as well as Headquarters’ water use and waste data in the sustainability report, which makes up part of every annual report, and is available on Tecan.com. Tecan aims to be transparent and trustworthy regarding the Company’s emissions and therefore

also participates in the annual Carbon Disclosure Project (CDP), allowing its results to be made publicly available.

Tecan's Code of Conduct includes a provision that Tecan is committed to conducting its business in a sustainable and environmentally responsible manner: all employees receive training on the Code of Conduct. In particular, employees are encouraged to understand how their work may affect the environment, to take steps to reduce the impact of their activities and to actively participate in energy-saving and waste reduction programs. Tecan incentivizes the use of public transportation where possible, providing subsidies to employees. Moreover, direct suppliers are subject to a specific audit program in order to ensure sustainable business. In 2020, Tecan set the goal of reducing by at least one third absolute direct and indirect emissions, by 2022.

IMPLEMENTATION

Tecan's 2022 emissions reduction goal has been pursued by switching to renewable energy in some locations, and installing LED lightbulbs and solar panels. Through a combination of emissions reduction efforts and the continued support of the high quality carbon offsetting projects described in the 2020 Annual Report, Tecan's corporate headquarters in Männedorf has been certified carbon neutral, an effort that will continue.

Also in 2021, Tecan's flagship Fluent® workstation was certified carbon neutral. The Fluent® includes eco-design elements to reduce energy use, and carbon neutral certification was achieved through the support of high quality carbon offsetting projects. Calculations to achieve carbon neutrality of a second Tecan product have also been carried out, with the aim of achieving carbon neutral certification early in 2022.

To take Tecan's environmental management and sustainability activities to the next level, in 2021 the company formed a Sustainability Committee, chaired by Tecan's CEO, and hired two subject matter experts. This investment of time and resources enables Tecan to better integrate sustainability initiatives throughout every area of the company, and ensure best practices are implemented globally.

In 2021, Tecan began calculating its total global greenhouse gas emissions footprint, to enable the identification of any emissions hot spots and making it possible to set an emissions reduction target in line with the 2015 Paris Agreement.

A program to progressively reduce the amount of waste is in place, as well as a program to increase the proportion of waste which is recyclable. Due to the highly regulated environment in which Tecan works, changing materials, even in packaging, can require product re-certification and contractual changes. This limits Tecan's ability to implement quick changes, and an internal taskforce has been formed to identify what options are feasible. Tecan continues to work to reduce or neutralize CO2 emissions from other areas, such as in- and outbound freight.

MEASUREMENT OF OUTCOMES

Tecan's environmental impact data is shared in the 2020 Annual Report, available at Tecan.com. Greenhouse gas emissions scope 1 and 2 data is included for production sites, and some scope 3 data is also reported. Tecan's corporate headquarters have been certified as climate neutral. Headquarters' water, waste and paper consumption data is also reported.

In the 2020 Annual report, Tecan notes a reduction in energy consumption of 2.5% despite a much higher production output, and a reduction of energy intensity – the total energy consumption related to sales – of 15.2%.

ANTI-CORRUPTION PRINCIPLES

ASSESSMENT, POLICY AND GOALS

Tecan is committed to be always fully compliant with all relevant laws of the countries where it operates and our commitment certainly includes the anti-corruption laws. However, even in countries where the legislation potentially tolerates questionable behaviors, Tecan follows a zero-tolerance policy as concerns bribery and corruption. Our Code of Conduct strictly prohibits payments (in cash or in kind) to secure illicit advantages. In no cases are Tecan employees allowed to pay, promise or authorize bribes or kickbacks, not even when refusing to make such kind of payments implies turning down business opportunities. Indeed, the Code of Conduct requires all employees to always keep a conduct which is not only fully ethical, but also excluding any possible misinterpretation if publicly disclosed.

These principles are detailed in a procedure which gives guidance for several specific matters. In particular, employees are instructed to avoid the use of cash and to make payments only against proper invoices. Furthermore, this procedure indicates the prudent attitude to adopt with regard to gifts, hospitality and entertainment and the strategies to follow in order to resist to the pressures eventually received for facilitation payments.

Another procedure provides a clear guideline concerning the business involving intermediaries, in order to prevent the risk of corrupt payments going through third parties. This procedure mandates a program of education and monitoring of our potential and existing dealers and distributors. In order to work with Tecan, our partners have to provide evidence of their full acceptance and understanding of Tecan's principles in matter of correct business practices by signing Tecan's Supplier Code of Conduct, and successfully completing an assessment.

IMPLEMENTATION

Tecan clearly communicates to all employees the principle of zero tolerance for bribery and corruption. This principle is emphasized in the periodic online trainings which are mandatory for everybody working in the company as well as in the periodic sessions that our instructors conduct in-person at the sites which we consider potentially more vulnerable to breaches.

Tecan employees (and third parties), who may possibly report events of misconduct, are able to do so via a third party-managed whistleblower hotline, implemented in 2021. This dedicated mailbox and multi-language telephone hotline is run by EQS, a specialized provider of compliance

solutions. All complaints are reviewed by Internal Audit, discussed with top management and addressed as necessary. The EQS platform ensures the highest standards of confidentiality and anonymity as well as a secure communication between the whistleblower and the members of the Internal Audit department of Tecan in charge of investigating the issues reported. Tecan updated internal procedures and training modules in order to take into account opportunities and obligations related to the whistleblowing reports delivered over the EQS tool.

Internal Audit also closely monitors the compliance of the business run through dealers and distributors. In particular, activity is focused on ensuring that all third party intermediaries explicitly commit to our Code of Conduct, demonstrate a sufficient understanding of it and pass background checks without issues of concerns (legal disputes, criminal investigations etc.) These steps are automated through the ethiXbase platform, implemented in 2021. The ethiXbase platform ensures a solid audit track of the checks performed and allows a “real time” detection of unethical behaviors which may potentially have been reported regarding our dealers and distributors in the press or in the dedicated data banks.

MEASUREMENT OF OUTCOMES

In 2021, the ethiXbase platform was used to review all of Tecan’s distributor business partners, on an ongoing basis. To date, no incidents of unethical behavior were identified among partners Tecan is actively working with. Where the ethiXbase platform indicated cause for concern, further investigation is underway.

Tecan has never been involved in any legal cases, rulings or other events related to corruption and bribery. Our books and accounts are subjected to internal and statutory external audit annually. These audits are one of the methods used to identify suspicious payments which might be related to bribery or corrupt behavior. Other initiatives in the same direction include reviews in detail of marketing initiatives and travel expenses. Last year, no significant matters of concern had to be reported at this purpose.

A handwritten signature in blue ink, appearing to read "Achim von Leoprechting".

Dr. Achim von Leoprechting
Chief Executive Officer

Männedorf, 14 December 2021