

Introduction

GMP Pharmaceuticals Pty Ltd (GMP) has set clear expectations in its enterprise to be alert to potential involvement in modern slavery practices. This is GMP's first modern slavery statement and we recognise the continuous efforts needed to combat modern slavery in our operations and supply chains. We have structured this statement in line with the mandatory criteria set out in the Modern Slavery Act 2018 (Cth) (Act).

Mandatory Criteria One and Two:

Identify the reporting entity and describe its structure, operations and supply chains

This statement applies to **GMP Pharmaceuticals Pty Ltd**, ACN 063 353 006 (**GMP**)

GMP is privately owned and headquartered in Huntingwood, NSW Australia.

GMP Operations

GMP has over 25 years' experience in manufacturing pharmaceuticals and natural supplements. Our services include custom manufacturing of a wide range of:

- complimentary health and nutritional supplements;
- dietary supplements; and
- functional food products.

Our business spans a diverse range of products including infant formula, vitamin supplements, weight loss products and probiotic goods.

We also offer end to end solutions such as:

- product formulation (to meet client specific needs);
- label design;
- packaging solutions; and



- shipping and regulatory advice across multiple regions for compliance purposes.

You can read more about our business on our website

<https://gmp.com.au/about/#>

GMP's operations include the manufacture, packaging, sales and distribution of health food supplements. GMP also manufactures complimentary medicines via contract manufacturing for its clients. We are also involved in the testing and product formulation of medicines for our clients, who are predominantly within the health and retail space.

Our manufacturing operations are based in Australia, and we source raw materials for our products from various countries. Some predominant regions we source our materials are domestically in Australia, followed by New Zealand and China.

We also have related companies with manufacturing operations of health supplements based in Australia and New Zealand.

GMP and its subsidiaries employ around 800 employees which includes labour hire contractors and suppliers.

GMP and its subsidiaries each share in its views, philosophies and workplace culture. GMP is taking active measures with its related entities to implement consistent policies and procedures across each of GMP's subsidiaries to reinforce our shared culture and values. But this may not always be possible for all policies (centralise all policies) due to difference in legislations in Australia and New Zealand.

This includes our approach to have in place appropriate policies, due diligence processes and remedial measures to identify and address modern slavery issues.

In particular, we set out what we do to assess and address the risks of modern slavery practices that may occur in our global and domestic supply operations and supply chains, as well as the operations and supply chains of our subsidiaries.

GMP supply chain

GMP estimates it engages approximately 1400 direct suppliers across the globe. This is inclusive of regular and ad-hoc suppliers that GMP may engage on a once off basis.

Our highest spend countries in terms of goods and services are with local suppliers in Australia and New Zealand, followed closely by China. We also work with suppliers in the USA, India, Argentina, Brazil, Czechia, France, Germany, Indonesia, Italy, Japan, Malaysia, Netherlands, Peru, South Korea and Spain.

The goods and services we procure from our suppliers include the sourcing of high quality raw materials (such as gelatine and chemicals) used for manufacturing our major products for our healthcare food supplements, and either ready-made or raw materials needed to meet our packaging requirements or design solutions. Our product formulation and design aspects are generally performed by our inhouse team in GMP.

Mandatory Criterion Three:

Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities the reporting entity owns or controls

GMP understands that certain goods and services may pose higher risks of modern slavery due to the types of activities being associated with established risk factors, including:

- Entity risks;
- Geographical risks;
- Product and service risks; and
- Sector and industry risks.

In addition, using tools and data sets in external resources such as the *Walk Free Global Slavery Index*, and the United Nations' *Guiding Principles on Business and Human Rights* we have a greater understanding of local human rights contexts, prevalence and vulnerability to modern slavery.

We consider certain geographical regions and associated emerging economies in which some of our suppliers operate, may pose a higher risk of modern slavery practices. For example, the Global Slavery Index identifies regions in Asia as associated with higher risks of slavery.

We seek to mitigate these risks as appropriate based on our policies and standards, which may include remediation based on the level of involvement with a particular supplier.

Importantly, we are also engaging with our local procurement team and suppliers to get in-depth local understanding of available resources and remediation options, in those regions associated with higher modern slavery risks.

We are in the process of drafting policies and implementing processes for our procurement team to map out and identify all our direct suppliers. This will be an ongoing process which will be reviewed periodically and will be useful while drafting the annual statements in accordance with the Act.

Mandatory Criterion Four:

Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address these risks, including due diligence and remediation processes

GMP continues to expand its due diligence and remediation efforts to assess and address modern slavery risks. Our efforts are targeted to help our employees, suppliers and other business partners identify, report and address modern slavery risks. We do this through the following actions set out below.

Anti-Slavery Policy

We are proud of our values and governance and this is reflected in our recent implementation of our GMP wide Anti-Slavery Policy (Policy).

It is a mandatory requirement that GMP's employees familiarise themselves with the Policy which:

- explains what modern slavery is;
- outlines how each and every GMP employee can identify modern slavery practices, and manage that risk;

- detailed steps an employee can take to address any concerns they may have, including the details of management which enables them to report concerns confidentially; and
- emphasises that these expectations need to be supported by knowledge and action to stay affective and relevant.

Code of Conduct

GMP has a code of conduct that sets out our work ethos, and highlights fundamental requirements with respect to workers' rights, and in dealings with our suppliers which promote honesty, integrity and to act with care and diligence.

Reporting

- GMP also has in place a Whistleblowing Policy which provides information about the legal protections available to employees who wish to remain anonymous, and how GMP will investigate disclosures.
- For various reasons, we understand that it can be difficult for people to come forward. Our Whistleblowing Policy provides employees with the comfort that they can do so anonymously.
- In the context of modern slavery, we believe that this can be an important asset in assisting employees to come to us if they perceive there to be a risk of modern slavery practices.

Recruitment Policy

GMP's recruitment policies are reflective of its commitment to human rights issues. In the context of modern slavery, we have clear guidelines which arms our management and HR team with processes that mitigate risks from occurring in our business.

GMP strongly condemns and is against the use of unfair practices while hiring and employing staff. GMP is also in the process of amending the position descriptions of the employees in the procurement team to ensure that they are aware of requirements to comply with the Act. This will ensure that awareness of the Act is a part of the selection criteria when hiring any new recruits for the Procurement team.

Due Diligence with Suppliers

Our Anti-Slavery Policy sets out GMP's due diligence processes in relation to the engagement of new suppliers as well as periodic and subsequent reviews. This enables us to identify and mitigate risks of modern slavery practices occurring within our supply chain.

We are also updating our standard terms and conditions of purchase to include specific obligations on our suppliers in relation to how they demonstrate modern slavery due diligence. This means that we may choose not to work with suppliers who do not meet our expectations in relation to addressing modern slavery risks. Our commitments also include a third-party risk assessment to assist with due diligence procedures.

In respect of engaging with new suppliers, GMP's procurement processes will be tailored to seek more precise information from its suppliers about modern slavery risks, such as:

- the nature of their employment arrangements with staff and contractors;
- whether the business has appropriate workplace management, environmental and work, health and safety systems in place;
- the existence of standard operation procedures in relation to managing the business activity for which they are engaged;
- evidence of how suppliers identify and assess modern slavery risks.

Training

We are exploring options to offer training to our specialist procurement and operations team on specific assessment areas and actions we can take to mitigate modern slavery risks occurring in our supply chain.

Remediation

GMP's collection of policies and associated processes referred above inform our approach to remediate any instance of modern slavery uncovered. This is in addition to our responsibilities to report relevant disclosures to policing authorities. In relation to any instance of actual or suspected modern slavery uncovered in its supply chain, GMP is committed to a remedial and victim-centric approach in working with affected suppliers.

Mandatory Criterion Five:

Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks

GMP is committed to assess the effectiveness of its control framework to reinforce our zero tolerance to modern slavery practices including:

- an annual review of our Anti-Slavery Policy to be in line with current social awareness and understanding;
- regular reviewing and updating GMP's standard supplier contractual terms to include a requirement that aligns with our Anti-Slavery Policy; implementing regular and systematic reviews of our business and supply chain operations with respect to modern slavery risks and practices; and
- identifying and tracking whether our suppliers can demonstrate to us their modern slavery awareness and due diligence processes;
- recording and assessing the nature and volume of any complaints or information about modern slavery risks through our established policy communication channels, including our Anti-Slavery policy, our Whistleblowing policy and our Recruitment policy;
- to commence benchmarking our approaches with other due diligence practices reported by comparable businesses in our industry, as reported in their modern slavery statements and leading practice material shared by the Australian Government.

Mandatory Criterion Six:

Describe the process of consultation with any entities the reporting entity owns or controls

Whilst GMP's other subsidiaries are not required to provide a modern slavery statement, GMP liaised with each of its subsidiaries to formulate an Anti-Slavery Policy as part of its commitment and due diligence to address modern slavery risks.

The operations of our subsidiaries will be included in the periodic review of our Anti-Slavery Policy and other due diligence systems in place to assess modern slavery risks.

Mandatory Criterion Seven:

Any other relevant information

Impact of COVID-19

GMP is aware of the many challenges arising from the pandemic, including those caused by varying levels of Government restrictions (both domestically and internationally) on the movement of people and goods to control the spread of infection.

GMP applied its policies referred above in a manner that was consistent with its desire to maintain stable business operations and stable supplier relationships, reducing the risk of modern slavery affecting the livelihoods of vulnerable workers.

Approval of this Modern Slavery Statement

This statement is made pursuant to section 13 of the *Modern Slavery Act 2018* (Cth) in respect of the financial year ended 30 June 2021.

This statement has been approved by the principal governing body of GMP Pharmaceuticals Pty Ltd, being the Board of Directors.

Mr. Daniel Xu



Group Chief Operating Officer | GMP Pharmaceuticals Pty Ltd
25 March 2021

