



MODERN SLAVERY STATEMENT

for Elanco Australia Pty Limited and Elanco Australia Holding Pty Limited

**pursuant to the Modern Slavery Act 2018
for the financial year ended 31 December 2020**

As a global animal health company, Elanco works in a complex legal and regulated environment and adheres to a specific set of values and compliance. Elanco employees, together with its suppliers and third parties, have a shared responsibility to act legally, ethically and abide by the Elanco values of Integrity, Respect and Excellence.

MODERN SLAVERY ACT STATEMENT

This statement is made pursuant to the Modern Slavery Act 2018 (“**Act**”) which requires entities based or operating in Australia, which have an annual consolidated revenue of more than \$100 million, to “report annually on the risks of modern slavery in their operations and supply chains, and actions to address those risks”.

REPORTING ENTITIES AND STRUCTURE

This statement is made on behalf of each of the two following private limited Australian companies, both of which are a *reporting entity* under the Act, for their financial year ending 31 December 2020:

- **Elanco Australasia Pty Limited** (ABN 64 076 745 198)
- **Elanco Australia Holding Pty Limited** (ABN 24 628 673 754)

Both of the above companies are located at Level 3, 7 Eden Park Drive, Macquarie Park, NSW 2113, Australia. Elanco Australasia Pty Limited is wholly owned by Elanco Australia Holding Pty Limited; these two reporting entities are the only Australian Elanco group legal entities. For the purposes of this Statement, the above reporting entities are together referred to as “**Elanco Australia**”.

ELANCO GROUP’S OPERATIONS

Elanco Australia are each part of the Elanco group of companies (“**Elanco**”), with their ultimate parent company being Elanco Animal Health Incorporated. Elanco is headquartered in Indiana, US and Elanco Animal Health Incorporated is listed on the New York Stock Exchange (NYSE: ELAN).

Elanco is a global leader in animal health dedicated to innovating and delivering products and services to prevent and treat disease in farm animals and pets, creating value for farmers, pet owners, veterinarians,

stakeholders, and society as a whole. With nearly 70 years of animal health heritage, Elanco is committed to helping its customers improve the health of animals in their care, while also making a meaningful impact on local and global communities. Elanco distributes its products to veterinarians, retailers, wholesalers and distributors, food animal producers and pet owners in over 90 countries, including Australia.

Elanco is driven by the vision of Food and Companionship Enriching Life and the Elanco Healthy Purpose™ Sustainability/ESG Pledges – all to advance the health of animals, people and the planet (more information can be found at www.elanco.com).

Elanco's four main areas of business are:

- **Companion Animal Disease Prevention:** Vaccines and parasiticide products that protect pets (dogs and cats) from worms, fleas and ticks
- **Companion Animal Therapeutics:** Pain and osteoarthritis products including treatments for otitis (ear infections), as well as cardiovascular and dermatology indications
- **Food Animal Ruminants & Swine:** Food animal products (including vaccines, antibiotics and parasiticides) used in ruminant (beef and dairy cattle and sheep) and swine production.
- **Food Animal Future Protein & Health:** Vaccines, parasiticides, functional nutritional health products (enzymes, probiotics and pre-biotics) and animal-only antibiotics used in poultry and aquaculture production

Elanco owns and operates manufacturing facilities located in various countries, currently including the US, UK, France, Germany, China, Canada, Taiwan, New Zealand, Vietnam, Korea, Mexico and Brazil.

Additionally, Elanco has contracted manufacturing operation suppliers in various countries, currently including Australia, New Zealand, US, Switzerland, Ireland, Brazil, China, Portugal, Belgium, and England.

Elanco has R&D facilities and operations based in Australia, Germany, Switzerland, Brazil, China, USA and India.

ELANCO AUSTRALIA'S - OPERATIONS AND SUPPLY CHAIN

In Australia, Elanco was established as part of Eli Lilly and Company in 1960. Elanco Australia's head office is located at Macquarie Park, NSW. It also has a R&D facility based at Kemps Creek, NSW.

Elanco Australia researches and develops and markets and distributes animal health products (and related services) in Australia, as follows:

Marketing and Distribution: Elanco Australia markets and distributes a wide range of animal health products in Australia primarily for farm animals - sheep, beef cattle, dairy cattle, pigs, and poultry; and companion animals - primarily cats and dogs.

R & D: Elanco has a R&D facility in Australia, based at Kemps Creek, NSW which conducts various R&D activities from early research to full development.

Manufacture and Supply Chain: Elanco does not itself manufacture products in Australia, although it has several contract manufacturers in Australia. Many of Elanco products sold in Australia are manufactured

overseas, mostly in Europe, the US and Asia Pacific, by either Elanco owned sites or contracted manufacture (third party) sites. Where contract manufacturers are used to supply products, there are a number of mandatory conditions of supply to Elanco, which are further outlined below.

Elanco Australia's supply chains broadly fall into the following main supplier categories:

- finished products suppliers and distribution arrangements (including in-licencing);
- contract manufacturing suppliers;
- research and development activities including clinical trials;
- production inputs including raw materials, packaging materials, active ingredients and excipients;
- sales and marketing goods and services;
- transport services to transport products both within Australia (eg from third party warehouse to customers) and to import products from overseas locations;
- supply of good and services ancillary to core business such as Information Technology, administration and general goods and services, maintenance services for Elanco sites, management and recruitment of Elanco workforce, and provision of professional services;
- provision of services by off shore service centres including HR, accounts and financial/accounting service centres in Malaysia, India and Warsaw, owned by Elanco.

RELEVANT PRACTICES IN THE REPORTING ENTITY OPERATIONS AND SUPPLY CHAINS

Elanco sets out on its website its Ethical Foundation and an outline of its Ethics and Compliance Program: [Ethics & Compliance \(elanco.com\)](https://www.elanco.com/ethics-compliance).

The Elanco Group takes modern slavery risk seriously and takes the following steps to identify and mitigate risk of modern slavery in its operation and associated supply chains:

General

Laws and regulations: As a Company with global operations, Elanco is committed to following applicable laws and regulations in all locations in which Elanco operates. Likewise, it requires its contract partners to confirm their compliance with laws and regulations.

Reporting: All of the countries where Elanco operates have different regulatory reporting requirements. Elanco submits various reports to regulatory authorities, as required, including, where applicable, in relation to employment practices and conditions, such as reporting on gender pay equity.

Suppliers & other Business Partners

OECD guiding principles: Elanco adheres to the OECD guiding principles for human rights and expects its business partners to abide by these guidelines and local laws, when applicable, regarding modern slavery, child labour, forced labour and other rights.

Pharmaceutical Supply Chain Initiative: Elanco is a member of the Pharmaceutical Supply Chain Initiative ("PSCI") organization. Through Elanco's membership, Elanco is committed to further responsible supply

chain management and sustainable business practices across Elanco's network of Elanco facilities and its external key suppliers.

The PSCI principles are designed to align with the principles of the United Nations Global Impact. They represent high-level expectations set for industry suppliers in five areas of responsible business practice: ethics, human rights and labour, health and safety, environment and related management systems. The human rights and labour principles cover: freely chosen employment; no child labour; legal treatment of young workers; non-discrimination; fair treatment; wages, benefits and working hours, freedom of association. Refer <https://pscinitiative.org/home>

Elanco requires that its key contract manufacturers and active pharmaceutical suppliers comply with the PSCI Principles for Responsible Supply Chain Management in their facilities. Elanco's standard supply contracts commonly contain commitments to support the PSCI Principles. Elanco employs a risk-based approach to assessing compliance with these principles in regular intervals. This includes potential completion of periodic surveys and the potential for on-site assessments to verify adherence to various PSCI Principles.

Business Partner Code of Conduct: Elanco has a globally applicable Elanco Animal Health Business Partner Code of Conduct ("**Business Partner Code**"), which outlines Elanco's expectations for suppliers to act legally, ethically and abide by the Elanco values of integrity, respect and excellence. The Business Partner Code is publicly available at: [Suppliers - Elanco](#) - and is published in ten different languages.

The Business Partner Code provides that third party business contacts of Elanco's are responsible for ensuring their employees are aware of and comply with the Business Partner Code and that they hold their own supplier and other third parties to the same standards. The Business Partner Code provides that *"Elanco adheres to the OECD guiding principles for human rights and expects all business partners to abide by these guidelines and local laws, when applicable, regarding modern slavery, child labor, forced labor and other rights"*.

Through contractual provisions, Elanco requires third parties to abide by its Business Partner Code. Elanco Australia's suppliers are referred to the Elanco supplier website, which houses the Business Partner Code, on Purchase Orders (POs) issued to all suppliers. Elanco Australia's Purchase Terms & Conditions also require Suppliers to agree to comply with Elanco policies they are made aware of.

Third party due diligence: Elanco conducts anti-corruption due diligence (ACDD) on third parties with whom Elanco does business and that meet certain pre-determined criteria. ACDD helps Elanco ensure the third party is trustworthy and shares a commitment to doing business the right way. The process screens in-scope third parties prior to Elanco engaging in work with them to look for common "red flags" that may signal corruption, and Elanco renews the ACDD screen on a regular basis.

Elanco utilizes a robust third-party management system solution to manage this process. The system is designed to mitigate risk by identifying potential red flags that may signal issues related to corruption, human rights, slavery, animal welfare, or the environment, before such in-scope suppliers are onboarded. This system screens third parties using artificial intelligence powered monitoring and search tools to identify real time coverage of negative news while also screening watchlists, sanctions, embargoes, politically exposed persons, and state-owned enterprises.

Reporting of Concerns: Elanco has an *Elanco Integrity Line* which is published in its Business Partner Code, on Elanco's websites (www.elanco.com) and on the Elanco Supplier Portal (www.elanco.com/en-us/suppliers). Business Partners are encouraged to contact the *Integrity Line* if they observe actions which are not aligned with Elanco's commitments and the commitments required of its business partners or if they have any questions or concerns. The *Integrity Line* is a convenient, confidential and anonymous way for Elanco business partners to report issues. Translation services are available in most languages.

Specialist functions and auditing: Elanco has global specialist functions including Ethics & Compliance, Legal, Health, Safety & Environment (HSE) and Quality whom provide specialist advice and guidance to the Elanco business and its employees. Various of these functions conduct audits and inspections of key suppliers. In addition, due to the highly regulated business in which Elanco operates, Elanco and many of its suppliers are audited and/or inspected by relevant authorities. Elanco also has an internal audit function which audits its own functions and processes.

Employees

Elanco foster's a culture of integrity and doing the right thing in the right way.

Elanco adheres to applicable local labour laws and requirements in respect of all of its employees and additionally commonly offers additional benefits and support to employees, their families and their communities.

As noted above, many of Elanco products sold in Australia are manufactured by Elanco-owned and operated manufacturing sites. In all of these sites, as well as shared service centre sites operated by Elanco, Elanco adheres to applicable local labour laws and requirements.

Employee Code of Conduct: Elanco has a Code of Conduct which is both publicly available (www.elanco.com) and made available to all employee through the Elanco intranet. The Code of Conduct aims to guide employee decisions and relationships, establish behavioral expectations and set the high standards against which performance is measured. It states that "*We are committed to acting legally and ethically, following the laws, regulations, industry codes, policies and procedures that govern our business. We apply good judgment and we seek help when we're not sure of the right thing to do.*"

Training: Elanco carries out regular staff training through online training courses that are required to be completed regularly and continues to review training options. This includes Code of Conduct training which is mandatorily required to be completed by all Elanco employees on an annual basis.

Reporting of Concerns: Employees are encouraged to report any known or suspected violation of Elanco's Code of Conduct, policies, procedures or laws that regulate Elanco's business to Elanco's *Integrity Line*, without fear of retaliation. No Elanco policy or procedure prohibits Elanco employees from reporting potential violations of any federal law or regulation to any government agency.

PROCESS AND APPROVAL

This statement is made pursuant to the Modern Slavery Act 2018 and constitutes the modern slavery statement for both Elanco Australasia Pty Limited and Elanco Australia Holding Pty Limited for the financial year ending 31 December 2020. This Statement was produced in consultation with key functions and key leaders within the business.

This statement was reviewed and approved by the Board of Directors of each of Elanco Australasia Pty Limited and Elanco Australia Holding Pty Limited on 29 June 2021. The boards of each reporting entity have the same Board members.

A handwritten signature in black ink, appearing to read 'Hendrik Van der Walt', written in a cursive style.

Hendrik Van der Walt, Director
Elanco Australasia Pty Limited
Elanco Australia Holding Pty Limited

29 June 2021