

MODERN SLAVERY ACT STATEMENT 2022

29 September 2022

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INTRODUCTION AND OUR APPROACH

This is the third Modern Slavery Statement ("Statement") for Ego Pharmaceuticals Pty Ltd ("Ego"), as informed by the Modern Slavery Act 2018 (Cth).

The purpose of this Statement is to outline our approach to ensuring that Ego has appropriate frameworks and processes in place to minimise the risk of Modern Slavery in our business operations and supply chain.

Everyone who is employed by Ego lives our Ego Values. These include "Ethics – we do what is right".

In other words, at Ego our business is conducted in an ethical manner because it is right to do so. Therefore, we ask and expect our business partners to conduct their dealings with us in a fair, honest and ethical manner. And every new employee who joins Ego signs up to the Ego Values as part of the employment commitment. Living the Ego Values is also part of every employee's performance appraisal process.

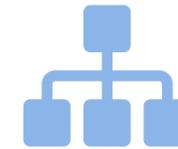
We understand that Modern Slavery can occur in many forms, such as slavery, servitude, human trafficking, forced marriage, forced labour, debt bondage, child labour, and deceptive recruiting for labour or services.

Ego is fully committed to operating responsibly. This means establishing and adhering to Ego's Values, which provide appropriate ethical standards across our group.

This commitment is supportive of the UN Sustainable Development Goals (<https://sdgs.un.org/goals>). Ego became a member of the UN Global Compact on 28 November 2021.

Ego supports the United Nations' objective of eradicating the many forms of Modern Slavery.

Ego has established a cross-functional group of senior staff to oversee our efforts to eliminate Modern Slavery within our supply chain.



STRUCTURE, OPERATIONS AND SUPPLY CHAINS

This statement covers the activities of Ego, which also includes controlled and associated entities as follows:

- Ego Pharmaceuticals Pty Ltd
- Ego Pharmaceuticals UK Limited
- Ego Pharm Malaysia Sdn Bhd
- Ego Pharmaceuticals Taiwan Pty Ltd
- Ego Pharmaceuticals Singapore Pte Ltd
- Ego Pharmaceuticals Hong Kong Limited
- Ego Pharmaceuticals Europe Ltd
- Australian Link Trading L.L.C.
- Ego Pharmaceuticals Holdings Pty Ltd

Ego Pharmaceuticals Pty Ltd is a privately owned Australian company with operating entities in the UK, Malaysia, Taiwan, Singapore, Hong Kong, Malta and the United Arab Emirates.

Ego has led the way in the development, manufacture and marketing of innovative skincare products. Our mission is to transform lives through the science of healthy skin. Ego is the specialist in skincare, backed by science. We make our products in Australia for the people of the world. We provide consistently high quality products, underpinned by heritage and integrity.

From its inception as a family business in 1953, Ego has grown to become a world leader, producing a comprehensive skin and health care range for sale in Australia and around the world. Our reputation is built on consistently delivering effective, high-quality products to meet a diverse range of needs, and we are committed to creating the best possible skin therapies for our customers.

Ego develops and manufactures innovative skin care products at our Braeside site in Victoria. These include well-known and trusted brands such as QV®, Aqium®, SENSENSE®, MOOV®, DermAid®, Egoderm®, Egozite®, Elucen®, etchðos®, Numit®, Pinetarsol®, Resolve®, Sebitar®, SolvEasy®, SOOV® and Zatamil®.

Within Australia, Ego employs around 500 people across engineering, production, quality, people and performance, logistics, research and development, regulatory affairs, finance, ICT, legal, marketing and sales.

Outside Australia, Ego employs around 200 people in the areas of marketing, sales and finance.

A Board oversees the strategic direction of Ego, and includes its Managing Director, Alan Oppenheim, and Scientific and Operations Director, Dr Jane Oppenheim.



THE REPORTING ENTITY

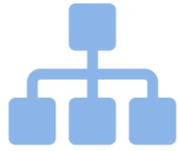
Ego Pharmaceuticals Pty Ltd
21-31 Malcolm Road, Braeside,
VIC 3195, Australia

ABN 86 005 142 361



The upstream supply chain of Ego consists of four main segments:

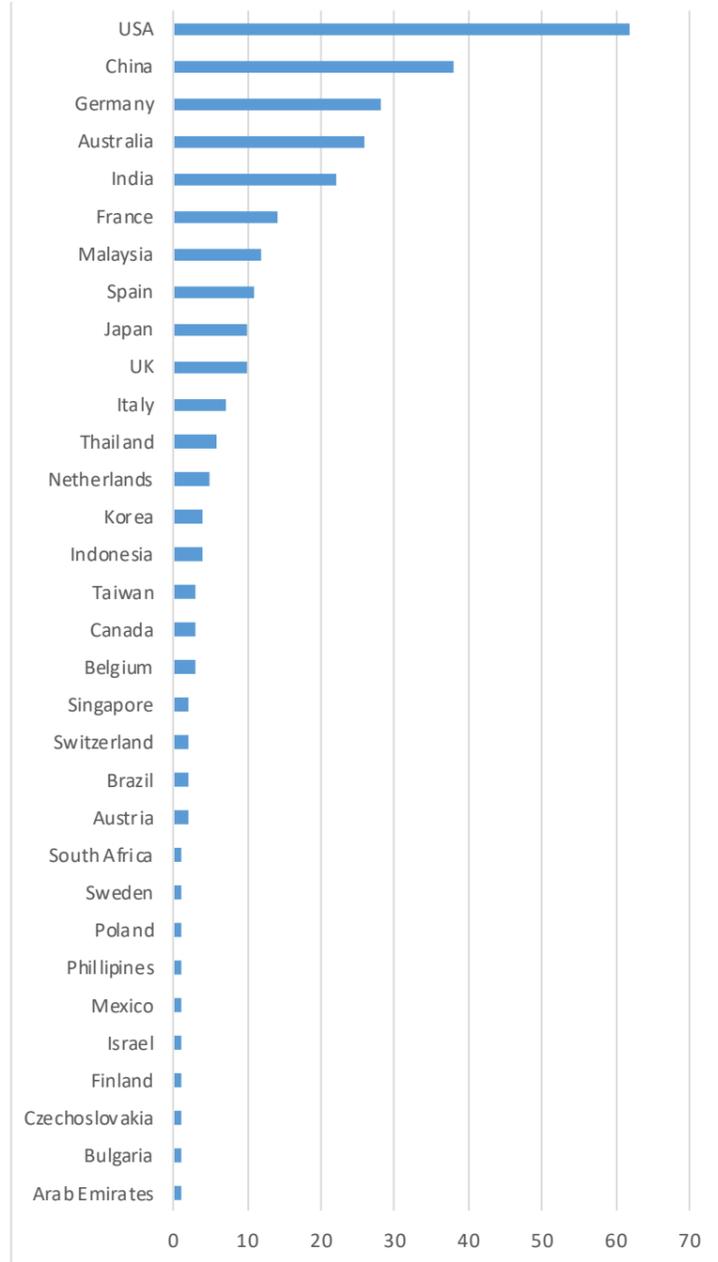




VITAL STATISTICS

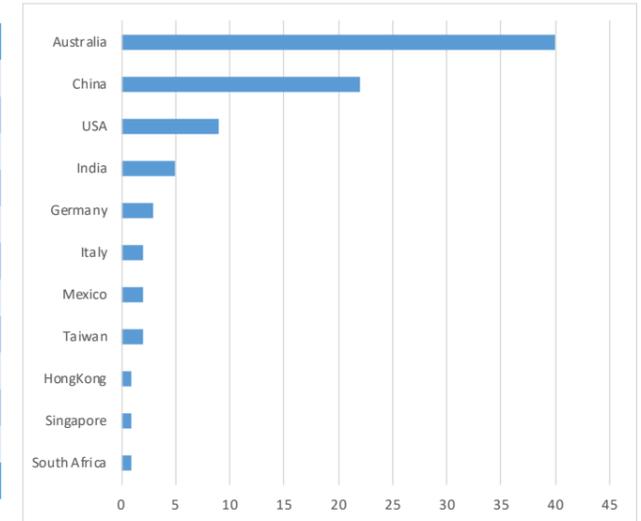
DISTRIBUTION OF RAW MATERIAL MANUFACTURERS

Country	No.	%
USA	62	21.7
China	38	13.3
Germany	28	9.8
Australia	26	9.1
India	22	7.7
France	14	4.9
Malaysia	12	4.2
Spain	11	3.8
Japan	10	3.5
UK	10	3.5
Italy	7	2.4
Thailand	6	2.1
Netherlands	5	1.7
Korea	4	1.4
Indonesia	4	1.4
Taiwan	3	1.0
Canada	3	1.0
Belgium	3	1.0
Singapore	2	0.7
Switzerland	2	0.7
Brazil	2	0.7
Austria	2	0.7
South Africa	1	0.3
Sweden	1	0.3
Poland	1	0.3
Philippines	1	0.3
Mexico	1	0.3
Israel	1	0.3
Finland	1	0.3
Czechoslovakia	1	0.3
Bulgaria	1	0.3
Arab Emirates	1	0.3
Total	286	100



DISTRIBUTION OF PACKAGING MATERIAL MANUFACTURERS

Country	No.	%
Australia	40	45.5
China	22	25.0
USA	9	10.2
India	5	5.7
Germany	3	3.4
Italy	2	2.3
Mexico	2	2.3
Taiwan	2	2.3
Hong Kong	1	1.1
Singapore	1	1.1
South Africa	1	1.1
Total	88	100



EGO EMPLOYEES BY COUNTRY



BY THE NUMBERS



Raw Materials

286



Packaging Materials

1,178



Markets

24



Product Formulations

117



Finished Goods

439



IDENTIFICATION OF THE RISKS OF MODERN SLAVERY

IN OUR OPERATIONS AND SUPPLY CHAINS AND OUR POLICIES AND GOVERNANCE PRACTICES

In accordance with Ego's Values, Ego has zero tolerance for any form of Modern Slavery and slavery-like practices. We established the following governance process to provide the necessary Board oversight of the implementation and subsequent phases, as the identified approach and responses are embedded into Ego's broader compliance requirements.

At the outset of the modern slavery risk identification governance process, Ego revisited its Values to ensure that there was alignment with our activities including our supply chain activities.

Ego's and our Entities' Operations

Consistent with the Ego Values, we have developed a Business Partner Code of Conduct Policy which sets out the standards by which we operate. This policy applies to Ego and its entities. The key points of this policy are:

Ego supports the UN Global Compact, the UN Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.

Ego does not employ children under the legal employment age in any country or local jurisdiction.

Ego does not use any form of forced, bonded or involuntary labour. Workers retain control of their identification documents and do not pay any fee

connected to obtaining employment throughout the hiring process and the employment period. Punishment and coercion are prohibited and all disciplinary policies and procedures are fair, clearly defined and openly communicated to workers.

Ego complies with all applicable laws and industry standards regarding working hours, overtime, wages and benefits. Ego pays workers in a timely manner. Deductions from wages as a disciplinary measure are not allowed unless legally permitted.

Ego employees and contract workers are free to leave employment on reasonable notice.

From an Australian company perspective, Ego is subject to some of the strictest employment laws anywhere in the world and follows all applicable laws and awards.

The risk of Modern Slavery within Ego is rated as very low.

Ego Australia's Supply Chain

Ego's supply chain consists of hundreds of suppliers. In 2019, we audited our direct input suppliers (raw materials and packaging used in our products). In 2020, we focused on Australian suppliers of indirect goods and services. The results of these audits have been published in previous Modern Slavery Statements.

CASE STUDY

WHEN A SUPPLIER DOES NOT ENGAGE

One supplier was unwilling to respond to our request to complete our questionnaire, despite follow-up. In this case, we were able to consider the nature of the service supplied to our Ego subsidiary and the geographic location and rate the supplier as low risk.

Ego's International Operations' and Entities' Supply Chains

In 2021, our main due diligence activity was an audit of the suppliers to our international operations and entities.

These included suppliers in the following broad groups:



Marketing, media, advertising and digital services

Only suppliers with an ongoing annual spend of more than AUD100,000 were included – these represented 83% of the total spend. The remaining long tail of smaller suppliers was excluded, as being a lower priority during this part of the audit phase.

The response was very favourable overall. This was especially so in the United Kingdom, where Modern Slavery legislation has been in place since 2015 and there is good understanding and maturity with regard to Modern Slavery.

The other countries outside Australia in which Ego has operations and subsidiaries do not currently have Modern Slavery legislation. They are rated between B and CCC according to the Global Slavery Index. In these countries, we view this first interaction with our suppliers as an important starting point in bettering their understanding of Modern Slavery.

Only one supplier was unwilling to respond and has been assessed by Ego – see Case Study on Page 06.

The assessment of this due diligence exercise was that these suppliers were rated by Ego as low risk for Modern Slavery.

Ego's International Entities

As described in our previous Modern Slavery Statement, we have assessed the risk of Modern Slavery within Ego's international entities via a desk audit.

This audit considered the prevalence of Modern Slavery within the countries in which our entities operate. It also looked at the types of goods and services sourced by these entities in those countries. We used published information from a number of highly regarded sources.

Based on a combination of geographical and sector data, we assessed the likelihood of the supply chains of our international entities as low.

We have extended this due diligence exercise via the supplier audit described in the previous section.



ACTIONS ADOPTED

TO ASSESS AND ADDRESS THOSE RISKS, INCLUDING DUE DILIGENCE AND REMEDIATION PROCESSES

In 2019, we developed and approved a specific overarching policy to ensure that all our underlying procedures and policies promoted ethical and legally compliant business conduct. This document – our Business Partner Code of Conduct Policy – sets out our commitment to prevent violations of human rights such as modern slavery in our business. It describes specific standards to which Ego and

its operating entities adhere. Importantly, Ego also expects our business partners, including our suppliers, to adhere to these standards.

To put this policy into effect with our direct input suppliers, we have now incorporated the following clauses in our Ego Purchase Order Terms and Conditions and into our material purchasing and distribution contracts:

We are now in the process of documenting these same requirements into our formal contract agreements with other suppliers and business partners.

In addition, we recently reviewed our Business Partner Code of Conduct Policy to highlight the Board's role in endorsing that Policy.

Ego has established several risk mitigation processes, including our Supplier questionnaire for on-boarding requirements.

All of these are subject to regular review to ensure their practicality and assessment of their effectiveness within the operations and supply chain.

Where a risk is identified, Ego will work with that supplier to review their practices and to seek to achieve changes that are satisfactory. If this is not likely to be achievable, then Ego would explore what alternatives there may be to achieve a successful resolution.



MODERN SLAVERY, ETHICAL BEHAVIOUR AND BRIBERY

Unless otherwise required or prohibited by law, the Supplier warrants that:

A it does not employ, engage or otherwise use any child labour in circumstances other than those permitted by law;

B it does not use forced labour in any form (prison, indentured, bonded or otherwise) and its employees are not required to lodge papers or deposits on starting work;

C it provides a safe and healthy workplace, presenting no immediate hazards to its employees, any housing provided by the Supplier to its employees is safe for habitation, and it provides access to clean water, food, and emergency healthcare to its employees in the event of accidents or incidents at the Supplier's workplace;

D it does not discriminate against any employees on any ground (including race, religion, disability or gender);

E it does not engage in or support the use of corporal punishment, mental, physical, sexual or verbal abuse and does not use cruel or abusive disciplinary practices in the workplace;

F it pays each employee at least the minimum wage, or a fair representation of the prevailing industry wage (whichever is the higher), and provides each employee with all legally mandated benefits;

G it complies with the laws on working hours and employment rights in the countries in which it operates; and

H it is respectful of its employees' right to join and form independent trade unions and freedom of association.

The Supplier shall ensure that it has ethical and human rights policies and an appropriate complaints procedure to deal with any breaches of such policies; and the Supplier permits Ego, the right upon reasonable notice (unless inspection is for cause, in which case no notice shall be necessary) to enter upon the Supplier's premises to monitor compliance by the Supplier of the warranties set out in this Clause and the Supplier shall, subject to compliance with law, furnish Ego with any relevant documents requested by Ego in relation thereto.

CASE STUDY

NEW INFORMATION ON HIGH RISK IMPORTS

We recently became aware of the potential issue of solar panels as being sourced from certain so-called 'dirty' plants (i.e. at high risk for Modern Slavery) internationally. As part of Ego's sustainability program, we are committed to installing solar panels to reduce our use of electricity from the power grid. We have since updated our equipment purchasing policy to consider the potential for Modern Slavery in the country of origin of the equipment and its components.



TRAINING AND CAPACITY BUILDING

Key personnel who engage directly with our supply chain are trained in our Business Partner Code of Conduct Policy and all Ego staff globally are made aware of our commitment to eliminating Modern Slavery via our company newsletter, the EgoGram. Further awareness and education is via training sessions and presentations, as well as seminars and strategy meetings internationally.

We also attend webinars on Modern Slavery to stay abreast of the latest information and trends.

An updated training program for onboarding new

staff has been developed and rolled out, and this includes a module on Modern Slavery.

Apart from the direct interaction with suppliers via our audit program, we have other supporting mechanisms to facilitate the reporting of suspected instances of Modern Slavery, including our Grievance Procedure and Whistleblower Policy.

In addition to this, Ego is now participating in the UN Global Compact Network Australia, which has a Modern Slavery Community of Practice program.



ASSESSMENT AND EFFECTIVENESS

Ego has a working party that oversees its management of Modern Slavery risk. The convenor is our Chairman and includes our Managing Director and Scientific and Operations Director. The working party operates closely with key team members as we navigate this landscape.

We are identifying further ways for auditing of our suppliers across a broader range of inputs to gain a more complete picture of Modern Slavery risk within our supply chain. We are also identifying further ways of periodically reassessing suppliers who have already engaged with us.



CONSULTATION WITH OUR ENTITIES

In 2019 and 2020, much of our work has focused on gaining a better understanding of present circumstances relating to Modern Slavery within Australia. In 2021, as previously mentioned, we reached out to the suppliers of our international entities. An important aspect of this process was a strong engagement with the key Ego personnel within those entities – the people who regularly interact and do business with their suppliers. This proved to be an effective means of not only getting

the best level and quality of response from those suppliers, but of involving our Ego personnel in the process, raising their awareness and ensuring their support.

The Business Partner Code of Conduct Policy training has been published to all country and regional managers within our international sales, operations and marketing teams.



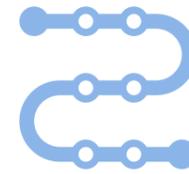
LOOKING AHEAD

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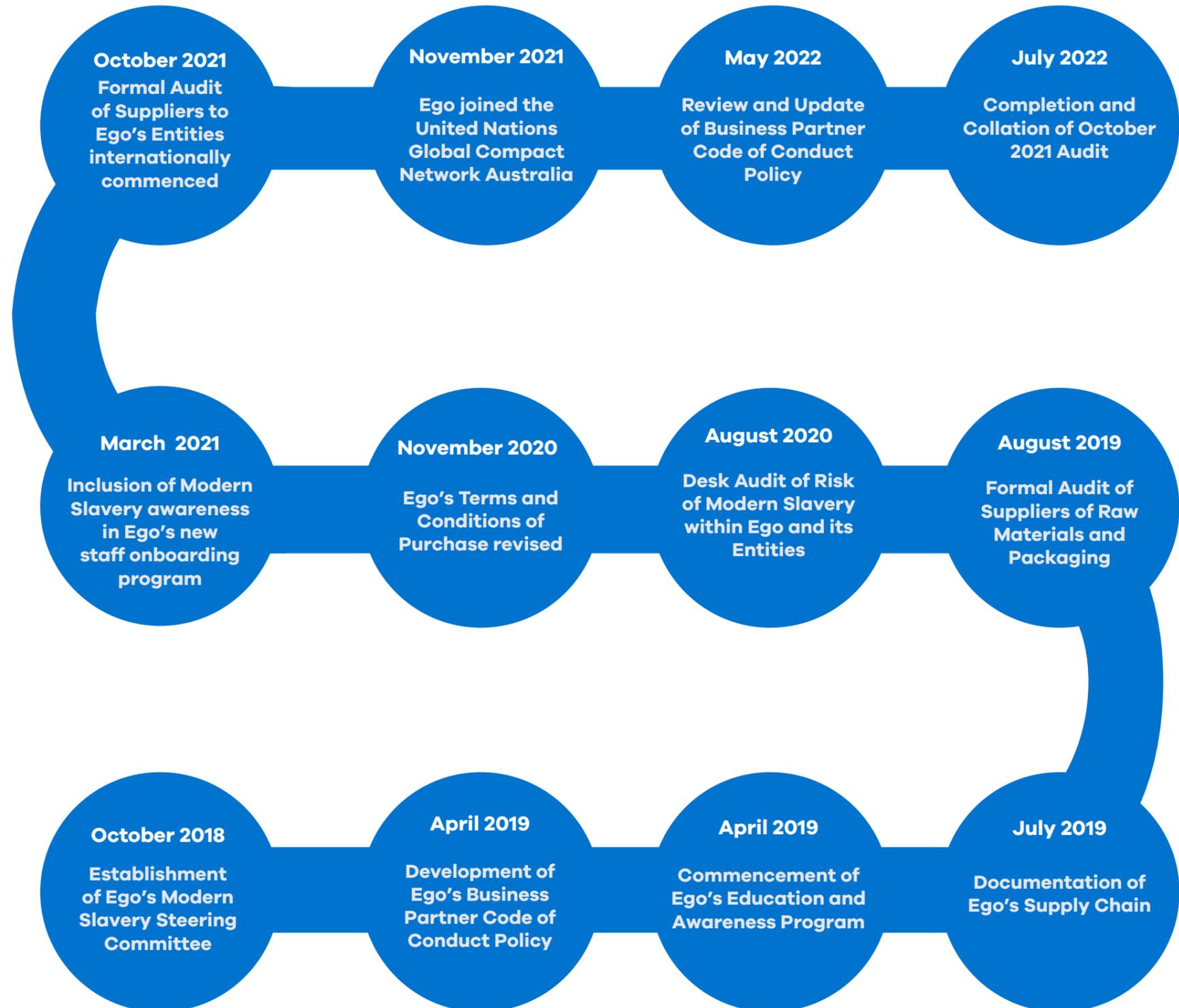
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This statement was approved by the Board of Directors of Ego Pharmaceuticals Pty Ltd on 29 September 2022.

Alan Oppenheim
Managing Director



TIME LINE OF EGO'S MAJOR MILESTONES IN ADDRESSING MODERN SLAVERY



egopharm.com

