



## Modern Slavery Statement for the year ended 31 December 2022

### Introduction

This modern slavery statement is made pursuant to Part 2, section 16 of the *Modern Slavery Act 2018* (Cth) (**Act**) and is a joint statement submitted by the following reporting entities:

1. Abbott Australasia Pty Ltd [ABN 95 000 180 389]
2. Abbott Medical Australia Pty Ltd [ABN 73 080 212 746]
3. Abbott Rapid Diagnostics Pty Ltd [ABN 19 010 728 220]

(Together, “**Abbott Australia**”). The entities listed above are companies established under the laws of Australia.

Abbott Laboratories (“**Abbott**”), headquartered in Abbott Park, Illinois, United States, is the ultimate parent company of each of the entities comprising Abbott Australia. Abbott's approach to human rights and modern slavery risk (which includes the identification of and ways to address modern slavery risk) is directed and guided by Abbott. This is aimed at ensuring a consistent approach across all Abbott companies. This statement describes the risks of modern slavery in the operations and supply chain of Abbott Australia. It also sets out the steps taken to identify and address those risks. This statement applies to the reporting period 1 January 2022 to 31 December 2022 (**Financial Year 2022**).

Abbott is committed to upholding the fundamental principles of human rights, labour, environmental protection, and anti-corruption to ensure long-term business success for Abbott, and to improve lives around the world. Our Position Statement on Human Rights, sets out our commitment to human rights and the mitigation of modern slavery, and is supported by our Code of Conduct and Supplier Guidelines as it relates to our operations and supply chain, respectively.<sup>1</sup> As set out in our Position Statement, Abbott believes in the dignity of every human being and respects individual rights as set forth in the United Nations' Universal Declaration of Human Rights and Guiding Principles on Business and Human Rights (**UNGPs**).

Abbott recognises that companies play a supporting role in promoting human rights within their spheres of influence. We contribute to the fulfilment of human rights through compliance with laws and regulations wherever we operate, as well as through our policies and programs. Abbott's Position Statement is reinforced in our employment, ethics, and

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<sup>1</sup> Supplier Guidelines: [Supplier-Guidelines-FINAL-ENGLISH.pdf \(abbott.com\)](#)

Position Statement on Human Rights: [Position Statement on Human Rights \(abbott.com\)](#)

procurement policies, which are designed to promote, protect, and respect human rights within Abbott and with our suppliers.

## **OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS**

### (1) Nature of our business and operations

Abbott is a globally diversified healthcare company with a central purpose of helping people live their healthiest possible lives through our broad portfolio of products. The Abbott global business is organised into four main divisions: Medical Devices, Diagnostics, Nutrition and Established Pharmaceuticals.

Abbott has approximately 115,000 employees worldwide and operates in 160+ countries. Abbott Australia is headquartered in Sydney, New South Wales. At the date of this statement, Abbott Australia's workforce consists of ~600 employees. Of the ~600 employees, 95% are full-time employees, whilst the remainder are part time or casual employees.

Abbott Australia operates out of nine offices throughout the country. Our offices are located in: Sydney, Melbourne, Brisbane, Perth, and Adelaide. We also have a warehouse in Brisbane and some product is distributed from our Sydney office.

Abbott Australia is primarily a marketer and distributor of medical devices, diagnostic and nutrition products. We do not sell pharmaceutical products in Australia. Abbott Australia distributes and sells products directly to customers through (3) distinct supply chain models. These are (a) inhouse distribution (b) third-party logistics providers (3PL) responsible for warehousing and distribution, or (c) fourth-party logistics provider (4PL) responsible for warehousing, distribution, and customer service functions. All medical products that Abbott Australia sells must be approved by the Therapeutic Goods Association (TGA). Our nutritional products are regulated and approved by Food Standards Australia New Zealand (FSANZ). The brands that Abbott Australia distributes are well known within the healthcare and life sciences sector.

### **LIFE-CHANGING TECHNOLOGIES**

#### **MARKET-LEADING POSITIONS IN EVERY BUSINESS**

##### **CARDIOVASCULAR CARE**

Keeping your heart healthy with medical technologies that help you and your doctor better manage your health

- #1 Remote heart-failure monitoring
- #1 Transcatheter mitral-valve repair
- #1 Heart pumps (LVADs)
- #1 Stents



##### **DIABETES CARE**

Giving people with diabetes the freedom to continuously monitor and track their glucose levels with unsurpassed 14-day accuracy and no painful fingersticks.<sup>1,2</sup>

- #1 Continuous glucose monitoring<sup>3</sup>



##### **NEUROMODULATION CARE**

Treating chronic pain and movement disorders by targeting specific areas of the spinal cord and brain

- A leader in chronic-pain devices



##### **DIAGNOSTICS**

Providing the information you need when you need it, so you and your doctor can make better decisions

- #1 Point-of-care testing
- #1 Infectious disease testing
- #1 Blood and plasma serology screening
- A leader in COVID-19 testing



##### **NUTRITION**

Nourishing and supporting your health, at every stage of life

- #1 Adult nutrition
- #1 Brand fed in hospitals (U.S.)<sup>4</sup>



##### **BRANDED GENERIC MEDICINES**

Helping people in emerging countries get and stay healthy

- #1 Pancreatic enzyme deficiency treatment
- #1 Progesterone hormone therapy
- #1 Vertigo treatment



## (2) Nature of our supply chain

Abbott is a multinational business which procures goods and services from approximately 89,000 suppliers in 163 countries. In 2022, Abbott spent approximately \$23 billion with these suppliers. With a global footprint, we have an opportunity to leverage our supply chain for positive social change.

Our management approach places particular importance on supply chain sustainability and resilience. Each Abbott business is responsible for its respective supply chain, with enterprise efforts coordinated through our Global Operations Council (GOC). The GOC collaborates across the enterprise to set the framework for our supply chain, encompassing procurement, manufacturing, and logistics. Among other responsibilities, several additional groups assist the GOC in our efforts to improve supply chain adaptability, resilience, and flexibility.

Abbott Australia's supply chain is categorised into two groups, (1) suppliers who provide products for distribution in Australia (**Product Sourcing**), and (2) the goods and services that contribute to our business functions within Australia (**Business Operations**).

### *Product Sourcing*

Following on from our analysis for the 2021 report, we have further reviewed our supply chain with the following results.

Abbott Australia continues to sell finished goods directly sourced from Abbott related parties who are predominantly located in the United States; Germany; Ireland; Netherlands; South Korea and Singapore. Like 2021, approximately 88% of Abbott Australia's annual supplier spend relates to Product Sourcing.

### *Business Operations*

The remaining approximately 12% of Abbott Australia's annual supplier spend relates to Business Operations. Our Business Operations suppliers comprise a mix of local and regional Australian companies and multinational organisations. 92% of these payments were made to less than 20 key suppliers.

These 20 supplier organisations were then grouped into 6 broad categories to aid with our modern risk analysis by spend as:

Category	Products and Services	2022	2021
Advertising	Production of marketing and media materials	19%	22%
Government	Product registration, compliance, licensing	4%	3%
Logistics/Warehousing	Customs, warehousing, delivery of products	56%	36%
Medical Professionals	Labour Hire	3%	5%
Medical Supplies	Parts and equipment	7%	7%
Education and Research Support	Learning, development, research	3%	3%

The balance of Business Operations spend with remaining suppliers was less than \$10 million dollars in total. We are yet to determine how best to categorise this group for further analysis and risk assessment.

## **IDENTIFYING OUR MODERN SLAVERY RISKS**

We continue to proactively identify and mitigate potential human rights impacts across our operations and value chain, including risks of discrimination and unequal pay; unsafe working conditions; human trafficking; child labour; and forced or bonded labour. Abbott conducts periodic reviews of our risk exposure, including annual high-level risk assessments of our global supply base.

### **(1) Identification of risk in Abbott Australia's operations**

Based on the geographical location of our operations and the nature of our workforce, we consider there is a low risk of modern slavery in our operations.

Abbott uses a global Human Resources database to manage its global workforce. Information is maintained in this database to ensure individuals are paid appropriately using a grading system relevant to their country of residence, and additional data elements can be captured to identify issues or anomalies that need to be addressed. Abbott Australia complies with all workplace laws as determined under the Fair Work Act 2009. Most of our employees are employed on a permanent full-time basis, and any temporary labour that may be required for a short-term assignment are hired through an approved labour hire agency. We undertake national police checks and working rights checks for all new hires. Labour hire is considered a high-risk sector particularly for sham contracting arrangements. Abbott Australia has specific controls in place managed by Human Resources and Finance which seek to protect our business from sham contracting activities, including working with specialist labour hire companies.

### **(2) Identification of risk in Abbott Australia's supply chain**

For this statement Abbott Australia has continued to analyse our direct supply chain. The data indicates that our information is consistent with the prior year:

1. Approximately 88% of our purchases are made from an overseas Abbott related party. We continue to work with our Global Procurement and Sustainability teams to understand more about the manufacture of these products, where raw materials are sourced from and what steps are being taken in these geographical locations to ensure local laws, our ethical standards and principles are upheld.
2. Less than 12% of our purchases (1,011 suppliers in the 2022 Financial Year) are made to run our business operations from companies based in Australia who may be locally owned, regionally owned, or a multinational.

As noted in the table above, we have categorised our third-party suppliers into “large

supplier” (greater than \$100,000pa) and “small supplier” (less than \$100,000pa) by spend in the 2022 Financial Year for further analysis. These “large suppliers” are referred to herein as Category 1 suppliers. We then excluded our own employees and benefit related payments, payments direct from a consumer, and company taxes to determine further risk.

From this group of suppliers and using the Global Slavery Index 2023 Risk Assessment Tool we have determined the highest risks in the Abbott Australia supply chain that present a risk of modern slavery relating to Category 1 suppliers are as follows. This information has not changed significantly from our 2021 analysis.

Supply Chain Analysis 2022				
Industry	Products and Services	Overall Inherent Risk	Jurisdictional Risk	Industry Risk
Logistics	Warehousing and transportation of products	Moderate	Low	High
Advertising	Production of marketing materials	Low	Low	Low
Medical Supplies	Supplementary medical supplies and equipment	Moderate-High	Moderate	High
Facilities Management	Office cleaning services, including consumables such as tea and coffee supplies	Moderate	Low	High
Medical Professionals	Providing critical medical research; suppliers include hospitals, Clinics, Foundations, and Charities.	Low	Low	Low
Human Resources	Insurance, labour hire, consulting services	Moderate	Low	High
Financial Services	Professional consulting, accounting, banking, insurance services	Moderate	High	Low
Education	Training and education provided to external healthcare professionals and employees	Low	Low	Low
Government	Product registration and compliance	Low	Low	Low

From this analysis, Abbott Australia has assessed the risks and has determined that there does not appear to be high risk areas of modern slavery within our current supply chain. Additionally, we have reviewed our Category 1 suppliers, all have a current Modern Slavery Statement on the government register stating they are taking measures to review, assess and implement improvements within their own business based on what has been publicised in their Modern Slavery Statement.

## Commitment Actions undertaken in 2022

- |  |                         |
|--|-------------------------|
| <ul style="list-style-type: none"> <li>All Abbott Australia employees to undertake mandatory modern slavery training and awareness.</li> </ul>   | Substantially Completed |
| <ul style="list-style-type: none"> <li>Include Modern Slavery wording in contractual clauses for new and renewed supplier contracts to ensure wording is consistent with modern slavery expectations, this also incorporates links to Abbott Supplier Guidelines.</li> </ul> | Ongoing                 |
| <ul style="list-style-type: none"> <li>Reviewed Category 1 Supplier's Modern Slavery Statements where published.</li> </ul>  | Completed               |

## Additional Actions to be completed 2023

- |  |             |
|--|-------------|
| <ul style="list-style-type: none"> <li>Abbott to continue to enhance the global Supplier Due Diligence Program</li> </ul>                      | In Progress |
| <ul style="list-style-type: none"> <li>Develop and deploy Human Rights training to a wider population of employees across the globe</li> </ul> | In Progress |

## **ACTIONS TAKEN TO ASSESS AND ADDRESS RISK**

Our approach to identifying, assessing, addressing, and managing human rights and modern slavery risk is guided by company-wide policies and processes. These policies and processes are embedded across our business (including Abbott Australia) and, in relation to our supply chains, are overseen by the GOC. This ensures a consistent approach towards mitigating modern slavery risk. Our policies and processes which are in place to assess and address modern slavery risk in our operations and supply chains are listed below.

Abbott Australia, as a member of Abbott's global supply chain, relies on intra-group processes to assess and address its modern slavery risk. The policies and processes which are listed below detail the actions in place to assess and address risk on suppliers of the products which are traded by Abbott globally. More detailed descriptions of our activities in this area are also available in our most recent Global Sustainability Report, available at: [www.abbott.com/responsibility/sustainability/sustainability-reporting/current-reports.html](http://www.abbott.com/responsibility/sustainability/sustainability-reporting/current-reports.html).

Policies and Practices that support our efforts to be an ethical and sustainable organisation	
<b>Code of Business Conduct</b>	<a href="http://www.abbott.com/investors/governance/code-of-business-conduct.html">www.abbott.com/investors/governance/code-of-business-conduct.html</a>
<b>Position Statement on Human Rights</b>	<a href="http://www.abbott.com/policies/other-disclosures.html">www.abbott.com/policies/other-disclosures.html</a>
<b>Supplier Guidelines</b>	<a href="http://www.abbott.com/partners/suppliers.html">www.abbott.com/partners/suppliers.html</a>
<b>Diversity and Inclusion</b>	<a href="http://www.abbott.com/careers/diversity-and-inclusion.html">www.abbott.com/careers/diversity-and-inclusion.html</a>
<b>Discrimination, Bullying, Harassment and Grievance</b>	<a href="#">Abbott Statement on Racial Inequality   Abbott Newsroom</a>
<b>Incident Reporting and Investigations</b>	<a href="https://speakup.abbott.com">https://speakup.abbott.com</a>

Unless otherwise stated, these policies and processes are applied across Abbott's global supply chain, including the entities covered by this Statement.

### (1) Due Diligence and Risk Assessment

Our due diligence and risk assessment processes not only aim to identify modern slavery risk, but they also assist us to assess and address this risk. These processes evaluate suppliers for potential sustainability issues, including those related to ethics, human rights and labour, health and safety, environment, and management systems.

When selecting suppliers, we consider applicable environmental, social and governance (ESG) factors alongside business capabilities and capacities, financial health, and alignment with our vision.

Our supplier assessment programs take a risk-based approach to screening, assessment, and monitoring, considering supplier size, industry, sourcing location(s), ESG performance and Abbott spend. This is particularly relevant to our critical suppliers, but we also assess non-critical suppliers flagged for potential sustainability risk.

Insights collected through our sustainability due diligence program support better supplier engagement and inform sustainability initiative development at the supplier, sourcing, and/or business levels. Our supply chain initiatives prioritise topics such as the environment and human rights and labour and drive collective action in two ways: (1) Issue-specific initiatives: Cover the whole supply chain and address targeted topics, such as supplier diversity and emissions, water, and inbound materials management; and (2) Sourcing category, business, and region-specific initiatives: Cover multiple risks and opportunities in high-sustainability-risk areas.

### Sustainability Risk Screening

During 2022, we took several steps to enhance our process. This includes adopting additional third-party supply chain sustainability risk-mapping technology to assess and provide a more detailed understanding of our direct supplier's sustainability risks.

These tools assign sustainability risk intensity factors based upon a suppliers' industry and region through referencing a variety of public and non-profit sustainability, geopolitical, security, and infrastructure indices and sources.

We engage with our suppliers of potentially high sustainability risk to explore compliance with our Supplier Guidelines. Desktop assessments, conducted by a third party, are tailored to the nature of the supplier's operations, location, and size. Assessments cover the topics of labour and human rights, environment, and sustainable procurement. On-site audits are conducted by an external auditor using a Workplace Condition Report or other globally recognised sustainability audit standards to assess social and labour conditions, and health and safety, environment, and business practices at the site.

Additional risk-specific analyses are performed for strategic sourcing categories and regions when potential risks are identified. Insights from these programs then inform our sourcing strategy and contingency plans.

Where issues are identified, suppliers are expected to submit corrective and preventive action (CAPA) plans within 30–60 days of receiving audit results. Abbott’s supplier relationship manager and subject matter experts monitor CAPA implementation and determine if a reaudit or other action — up to supplier disqualification — is required. In addition, we encourage suppliers and other third parties to use our Speak Up tool to report concerns.

We also address human rights risk in our other business relationships, including through our Third-Party Compliance Process, which requires Abbott businesses, subsidiaries, and affiliates outside the U.S. to complete due diligence before engaging third-party companies. This includes screening companies, identifying high-risk partners, and monitoring and mitigating any potential risks.

With reference to the supply chain analysis conducted by Abbott Australia (supply chain analysis table on page 5 above), we have assessed that the inherent risk of modern slavery in our Business Operations supply chain is low or moderate. For its Business Operations suppliers, labour hire is considered a high-risk sector due to the potential for lack of transparency and sham contracting. Abbott Australia mitigates this risk by working with specialist labour hire companies, conducting police checks, and screening for previous or suspected human rights allegations/incidents. Transportation and logistics services which support Abbott Australia's business operations are also considered an area of risk and additional third-party screening is undertaken for these suppliers. This risk is further mitigated through our procurement Denied Party Screening process, by screening suppliers during the on-boarding process, including adverse media checks.

## (2) Policies

We are committed to upholding the fundamental principles of human rights, labour, environmental protection, and anti-corruption to ensure long-term business success for Abbott, and to improve lives around the world. This commitment is reflected through our policies which are a tool we use to mitigate against various risks including modern slavery. Our policies are aimed at our employees and suppliers.

Every Abbott employee is expected to adhere to all laws and Abbott’s policies, procedures, principles, and standards. Abbott employees are obliged to comply with the Abbott's Code of Business Conduct, by carrying out training on an annual basis. Our Code of Business Conduct includes prohibitions on illegal and inappropriate labour conditions, and cruel or inhumane treatment. In addition to Code of Conduct training, all employees must also complete global anti-corruption training annually to ensure we continue to conduct business the right way.

Our Supplier Guidelines establish expectations for suppliers we work with, aligning with internationally recognised and industry accepted guidelines, such as the Pharmaceutical Supply Chain Initiative (PSCI) Principles for Responsible Supply Chain Management. Our Guidelines focus on the following priorities:

- Management systems
- Human rights and labour
- Health and safety
- Ethics
- Environmental management and compliance
- Supply chain management

Through the Guidelines, we detail our expectations of suppliers to conduct business in compliance with relevant legal requirements and industry codes. When asked, suppliers are expected to demonstrate compliance at the request and to the satisfaction of Abbott through our Supplier Responsibility program. We expect suppliers to fully support the Guidelines, driving sustainability principles into their own supply chains, systems, and employee practices. Our Tier 1 suppliers are expected to cascade the values represented in our Supplier Guidelines into their own supply chains and drive responsible sourcing practices to Abbott's Tier 2 suppliers and beyond.

We monitor compliance with the Guidelines through our Supplier Responsibility Program and contracting process, and we work with suppliers to improve their performance, where required, through both global and strategic programming. Suppliers are required to maintain documentation necessary to demonstrate conformance with the Supplier Guidelines and compliance with applicable laws, regulations, rules, ordinances, permits, licenses, approvals, and orders.

### (3) Accountability

We require our suppliers to comply with all applicable legal requirements and industry codes to do business with Abbott.

When acting on behalf of Abbott, we expect our suppliers to act in an open and honest manner with third parties. Business decisions must not be improperly influenced by personal interests or relationships, including personal or non-Abbott business relationships with Abbott employees. Our Guidelines provide that any concern a supplier has regarding unethical conduct, or a potential conflict of interest, be reported through Abbott's Office of Ethics & Compliance at <http://speakup.abbott.com>.

We embed social responsibility clauses in applicable procurement contracts detailing our values and expectations that vendors comply with our Supplier Guidelines and remediate identified issues. Abbott's Supplier Guidelines are made available in multiple languages and can be found here: <https://www.abbott.com/partners/suppliers.html>.

Also, to increase awareness of Modern Slavery and its prevalence in society, we rolled out specific training across our Australia employee population and are currently developing

specific training for more Abbott employees to further engage our global workforce on this topic and increase awareness not only within our own business and supply chain but also as individual consumers whose personal choices may help to abolish modern slavery. All sourcing and procurement employees are trained on our Supplier Guidelines, which includes Modern Slavery.

#### (4) Remediation

Abbott offers channels where questions can be asked and concerns can be raised, including via our “Speak Up” programme. Our Ethics and Compliance Helpline is multilingual and available globally 24/7 where there are concerns of a potential violation of Abbott’s values and standards of conduct. Concerns can be raised via the following link:

<http://speakup.abbott.com>

### **ASSESSING THE EFFECTIVENESS OF OUR ACTIONS**

This section illustrates how we assess the effectiveness of our actions to assess and address modern slavery. As stated above, we continue to refine and improve our approach to assessing effectiveness. For Financial Year 2022, Abbott (which includes Abbott Australia) assessed the effectiveness of its actions in the following ways:

(1) Abbott’s Supplier Sustainability Survey and Audit Program (detailed above) acts as a supplier audit mechanism. In Q4 2022, Abbott completed inherent sustainability risk screening of strategic suppliers utilising a third-party supply chain sustainability risk screening technology to assign sustainability risk intensity factors based on a supplier’s industry and region. Through this exercise we screened 88% of spend affiliated with raw materials, components and services that are directly traceable to Abbott’s final finished products. Of these suppliers, 16 source from or into Australia, with two being classified for medium-high risk for human rights (specifically employee health and safety). Results of this preliminary screening drive prioritisation and supplier engagements in 2023, including the two suppliers noted above.

In 2022, we also continued partnering with suppliers from key sourcing categories, engaging over 3,900 suppliers on sustainability risks and opportunities and influencing over 49% of our supply chain spend. These activities addressed 260 potential high sustainability risk suppliers through desktop assessments and 74 high sustainability risk suppliers through

sustainability audits. Through our 2022 audit programs, we engaged with 7 suppliers to implement corrective actions to address employee health and safety, environment, and supply chain management issues.

(2) Whilst our “Speak Up” programme is a way in which we address modern slavery risk, it is also a way in which we monitor effectiveness of our other actions in addressing modern slavery risk.

(3) For the Financial Year 2022, Abbott Australia employees undertook mandatory training on the following Abbott courses - Code of Business Conduct; Global Anti-Corruption; Confidential Information; Conflicts of Interest; Cybersecurity Protections; Adverse Event Reporting; Protecting Sensitive Data; Understanding Trade Sanctions and Modern Slavery Awareness.

### **CONSULTATION AND BOARD APPROVAL**

This statement has been approved by the Board of Directors of the parent company Abbott Australasia on behalf of its subsidiaries. The reporting entities were consulted during the process of preparing this statement, including through engagement of various stakeholder groups within each reporting entity and Abbott (including procurement, facilities and operations, office of ethics and compliance, human resources, finance and legal).

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Lee Coomber – Director  
Abbott Australasia Pty Ltd



29/6/23