



AstraZeneca
Modern Slavery Statement
Australia

For The Year Ending 31 December 2020

Our Commitment

AstraZeneca is committed to operating with integrity and high ethical standards. This includes ensuring that our business respects human rights - a commitment reflected in our **Code of Ethics**, which is based on our Company Values and includes our global “Our Interactions” Policy.

Specifically, we are committed to ensuring that we identify and eliminate to the fullest extent practicable modern day slavery or human trafficking in our business.

Our standards comply with all current national and international laws, regulations and codes to prevent trafficking and slavery in our own business operations. Further, we require our contracting partners and those companies within our supply chain to do the same, as set out in our **Global Standards: Expectations of Third Parties**.

AstraZeneca supports and adheres to the principles set out in the UN Declaration of Human Rights, and our employment policies detail our high standards of employment practice. These internal policies and practices include respecting diversity and, as a minimum, complying with national legal requirements regarding wages and working hours. We also support the International Labour Organisation’s standards regarding child labour and minimum working age.

This modern slavery statement is made jointly by AstraZeneca Holdings Pty Limited (ACN 066 876 962) and AstraZeneca Pty Limited (ACN 009 682 311) which are both reporting entities under the *Modern Slavery Act 2018* (Cth) (**Act**).



We run every part of our business with integrity, honesty and transparency everywhere we operate... We do not allow modern slavery or human trafficking anywhere in our business... We uphold our standards of integrity in every situation, not allowing, asking, or enabling others to engage in prohibited conduct on our behalf... We work only with qualified third parties who have a commitment to ethics and integrity consistent with ours...

AstraZeneca Code of Ethics, page 3



Our Business

Structure

AstraZeneca is a global, science-led biopharmaceutical company that focuses on the discovery, development and commercialisation of prescription medicines, primarily for the treatment of diseases in three therapy areas - Oncology, Cardiovascular & Metabolic Diseases, and Respiratory. The Company is also selectively active in the areas of autoimmunity, neuroscience and infection. AstraZeneca operates in over 100 countries and our innovative medicines are used by millions of patients worldwide.

AstraZeneca operates two entities in Australia, AstraZeneca Holdings Pty Limited and AstraZeneca Pty Limited. AstraZeneca Holdings Pty Limited is the parent company and has a holding company role. AstraZeneca Pty Limited is the Australian operating company.

Operations

In Australia, we separate our activities into two areas: supply and manufacturing, and marketing. The supply and manufacturing facility is located in North Ryde, Sydney and manufactures over 40 different product variations of local anaesthetics, diluents and respiratory products. We are the largest national manufacturer of pharmaceuticals, providing over A\$462 million of medicines to the local market and approximately A\$612million in exports predominantly to China and Japan. We are the global sole supplier to China of a primary respiratory product used in the treatment of asthma. We are key partners for leadership and technical capability within the Asia Pacific operations network.

AstraZeneca employs 1090 people in Australia. Broadly, these roles fit into the following categories: 496 employees in commercial roles, 551 employees in operational roles and 43 employees in clinical roles.


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Supply chain

Our global supply chain supports all areas of our business with a wide range of goods and services, including raw materials (for example, the active pharmaceutical ingredients in some of our medicines and drug substance and/or finished drug product for some of our biologics medicines), equipment, formulated drugs and packaging, and services, all of which are key to our operations. Many of our business critical operations including certain R&D processes, IT systems, HR, finance, tax and accounting services have also been outsourced to third party providers.

AstraZeneca's Australian operations has approximately 900 suppliers with over 80% located in Australia. Outside of Australia, the supply chain includes suppliers in the United Kingdom, the United States, Sweden, Singapore, Germany, Italy, Netherlands, Belgium, New Zealand and China.

The largest supplies in terms of value are raw materials, packaging materials, distribution, research and development, marketing (conferences and events), facilities management (building repairs, maintenance and utilities), market research, consultancy services (tax, legal and administrative), consumable materials (safety clothes, equipment and uniforms), and IT and telecommunications.


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Risks of Modern Slavery

Approach to identifying risk

We identify and assess potential modern slavery risks in our supply chain through our Third Party Risk Management process that is described in the “Actions” section on page 5.

This risk assessment process informs the risk register that AstraZeneca maintains, which includes inherent and emerging risks that we encounter in the course of our business operations. The risk register is reviewed and aligned with the Senior Management team on a quarterly basis, which includes mitigation plans to address such risks. Implementation and follow through of such mitigation plans are done by respective risk owners.

Operations

As noted above, our operations in Australia include marketing, and supply and manufacturing. Australia has low modern slavery risk from a geographic perspective. Marketing is a low risk activity from a modern slavery perspective, and involves a high skilled workforce largely engaged on permanent contracts. We acknowledge that manufacturing can potentially present a higher modern slavery risk, however because of the employment arrangements in place with our manufacturing workforce and the high level of unionisation in that workforce, we consider the risk to be low.

Supply Chain

Set out below are the areas of our tier 1 procurement that we have assessed to have the highest risk of modern slavery. In future reporting periods, we are planning to look at ways in which we can understand and assess modern slavery risks beyond our direct suppliers and we acknowledge the risk of modern slavery may be higher deeper in our supply chains.

Facilities Management

The facilities management industry and certain activities in particular (e.g. security and cleaning) are known to present a risk of modern slavery practices. This is due to the frequent use of unskilled labour, temporary workers/short term contracts, and the use of foreign workers. These risks may be increased where the work in question is carried out at night and when the work is not well paid. Outsourcing and the related tendering activities also place downwards pressure on pricing which increases the risk of low pay and/or poor working conditions. While the fact that Australia is a low risk jurisdiction from a modern slavery perspective may reduce the risk of modern slavery in facilities management, we acknowledge that the risk still exists.

AstraZeneca has significant facilities management requirements due to the size and nature of its operations and premises. These requirements are outsourced to service providers who specialise in providing these services.



Capital Projects

Risks of modern slavery practices are known to exist in the construction industry. This is due to seasonal and temporary work being common, there often being significant time pressure to complete jobs, and because much of the work involved is “base-skill” level. The sub-contracting and labour hire arrangements which are common in the industry also decrease the level of transparency in resourcing. In addition to the labour aspects, the risk of modern slavery practices is considered to be present in the supply chains that support the construction industry, including building materials, fittings and other manufactured products for installation.

AstraZeneca has carried out a number of expansions of its facilities. Whilst AstraZeneca capital projects and expansions have a focus on the delivery and installation of new manufacturing and related equipment, construction activities are a vital part of such projects in order to create new spaces or reconfigure existing spaces within the facility to house the expanded plant. The AstraZeneca facility and the equipment within it are sophisticated, of a high-value and high-technology nature, and based in Australia which all reduce the inherent risk in these projects. Nonetheless, AstraZeneca must still consider the sectoral risks from this activity.

Consumables

The manufacturing activities of AstraZeneca’s operations predominantly occur in a clean room environment. The nature of this environment requires personnel to wear disposable clean room garments such as hairnets, shoe covers and gloves. Whilst these items are supplied through Australian-based organisations, these items are generally manufactured in off-shore markets, such as China and Malaysia, which present a higher risk of modern slavery practices.

Excipients for manufacturing

The manufacturing of pharmaceutical products generally involves the combination of active pharmaceutical ingredients with other substances (excipients). Excipients can be used to assist with the stabilisation and dilution of potent active ingredients in the finished goods formulation. Whilst active ingredients are generally sourced internally through the AstraZeneca group of companies, excipients are generally sourced through the local arms of reputable global manufacturers. The global nature of these providers means that AstraZeneca has reduced visibility over the supply chains and that supply chains may commence or involve steps in countries that have a higher risk of modern slavery practices. This is something that AstraZeneca will explore further in future reporting periods.



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Actions

Governance / Risk Ownership

The Global Risk Owner for modern slavery and human trafficking is the Executive Vice-President Operations & Information Technology. Their remit includes accountability for our Global Supply Chain and Global Procurement function. To support the Executive Vice-President, we have dedicated internal compliance and audit teams responsible for reviewing the manner in which we manage all forms of risk, including “Employment Principles” which cover modern slavery and human trafficking.

In Australia, a governance group comprised of senior leaders in the Procurement, Compliance and Legal functions has oversight of the Third Party Risk Assessment process described below.

Values

AstraZeneca’s core Values require all our employees to operate with integrity and high ethical standards at all times, along with respect for the individual and diversity: they require us to “do the right thing”.

Our Values determine how we work together and the behaviours that are integral to our drive for success. Our Values guide our decision making, define our beliefs and foster a strong AstraZeneca culture.



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Policies

AstraZeneca is committed to ensuring that it does not tolerate modern slavery or human trafficking in any part of its business or supply chains. The **AstraZeneca Human Rights Statement**, which applies to the Australian business, sets out our responsibility to respect the rights of all people.

This commitment to respecting human rights is enshrined in our policies, Values and in our relationships with third parties. Our **Code of Ethics** defines our Values at work and guides our behaviours. It contains a requirement for our employees to interact with others in an ethical and proper manner and highlights our “Employment Principles” and other ethical standards. It specifically prohibits the use of modern slavery or human trafficking in our business.

Our Expectations of Third Parties policy also informs our third parties that we do not tolerate the use of child labour and forced labour by third parties.

We are also committed to the International Labour Organisation standards on child labour and minimum working age. Our internal policies (including those mentioned above) build on this commitment.

We have an established process and affiliated systems in place for employees to raise concerns and to protect whistleblowers from retaliation and identification. We encourage anyone to report in good faith any concerns regarding slavery and human trafficking, as well as any other compliance risks. Whistleblowers can choose to report anonymously at **www.AZethics.com**. AstraZeneca takes any such reports seriously and investigates all concerns raised, seeking to resolve matters in accordance with the Code of Ethics and applicable law.

Due Diligence

AstraZeneca has a Third Party Risk Management process in place to identify and assess potential risks connected with our suppliers before onboarding. This includes “Employment Principles” risks, including the risks related to slavery and trafficking (such as forced or bonded labour, underage employment, wages and benefits, hours/rest period and leave, collective bargaining, grievance procedures, non-discrimination and harassment). We operate with a first

line business accountability for managing the risks in any engagement with a third party, meaning that there is clear ownership of the decision to work with a third party within AstraZeneca. This allows responsible management of relevant risks for each third party relationship.

These factors determine which third party engagements are deemed high-risk requiring a deeper level of assessment. Where necessary, third parties are required to answer specific questions about the policy, procedures and controls they have in place to manage “Employment Principles” risks on AstraZeneca’s behalf, including audits.

We automatically screen all third parties identified as high-risk for modern slavery, by utilising publicly available information to ensure we are aware of any history or concerns linking a third party to poor labour practices. Globally, of the 467 engagements with high risk of modern slavery, 274 assessments were verified through the second line compliance assurance process. We rejected 14 engagements at onboarding due to labour rights related risks and we also worked with our high risk third parties to mitigate the risks identified.

We continue to be firm on ending the relationship where no satisfactory resolution is reached. We also provide enhanced real-time guidance to our contract managers during the due diligence process.

Within Australia, we have made a decision not to engage third parties from countries that are high-risk from a modern slavery perspective.

We operate with a first line business accountability for managing the risks in any engagement with a third party, meaning that there is clear ownership of the decision to work with a third party within AstraZeneca.

Relationships with Third Parties

The principles and values contained in our Code of Ethics also apply to our suppliers and all other third parties that we do business with. The applicable standards and requirements for third parties are explained in our [Global Standards: Expectations of Third Parties](#).

As of September 2019, all contracts with our suppliers contain clauses that require the supplier to operate their business in a manner consistent with the ethical standards contained in the Global Standards: Expectation of Third Parties. Since that time, all contracts also include clauses that oblige suppliers to (amongst other things) develop and maintain policies and procedures to avoid engaging in modern slavery, take reasonable steps to ensure that there is no modern slavery in its supply chains and notify AstraZeneca of any complaint or allegation of modern slavery.


Training and Awareness

All AstraZeneca employees (including those in Australia) receive an annual Code of Ethics training that explicitly raises awareness of the risks of modern slavery and human trafficking. Rolled out globally at the end of October 2020, the course was completed by 99% of AstraZeneca employees by 24 November 2020.

In Australia, the Third Party Risk Management process is controlled by Procurement who are well trained in this area.

Stakeholder and industry collaboration and engagement

In 2020, we continued our engagement with Slave Free Alliance (Hope For Justice) and we have also participated in working groups with peer multinationals to benchmark our approach to risk identification and mitigation. Through these engagements, we have validated that our highest risk activities continue to be Construction, Temporary Resources, Recruitment, Facilities, Logistics and Hotels, use of human biological samples in the clinical space, use of agricultural and electronic components in our products and devices, as well as sourcing and supply of some lab consumables.

 All AstraZeneca employees (including those in Australia) receive an annual Code of Ethics training that explicitly raises awareness of the risks of modern slavery and human trafficking.

Effectiveness

For the reporting year ending 31 December 2020, over 16,000 third party assessments were conducted across AstraZeneca globally through our Third Party Risk Management process. In this time period, there were no recorded cases of human rights violations including related to trafficking or slavery among the third parties surveyed. AstraZeneca's Global Compliance function performs second line monitoring of Third Party Risk Assessments through sample review to assure that all forms of risk, including "Employment Principles" risks, have been correctly identified and mitigated as appropriate. Our second line monitoring identified and rejected 14 engagements back to contract managers for risk reassessment. Within Australia, 90 third party assessments were conducted. There were no recorded cases of human rights violations or related to trafficking or slavery.

Our governance group which has oversight of our Third Party Risk Management process, and includes senior leaders in Procurement, Finance, Legal and Compliance functions, receives a regular summary of those third parties exited as a consequence of "Employment Principles" risks identified through due diligence.

In addition to the risk management process outlined above, we continue to meet with our suppliers on a regular basis to ensure that they adhere to our ethical standards, drive innovation and help us build a long-term competitive advantage.

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Consultation

The two reporting entities covered by this statement share common processes and approaches to assessing and managing modern slavery risk. They operate under a single leadership team and the directors on the Board of each entity are the same. In the course of preparing this statement, consultation has occurred between Legal and Compliance, Procurement, Finance, and Human Resources, covering the operations and supply chains of both reporting entities, and the boards of both entities have been provided with an overview of the approach to preparation of the statement.

The reporting entities do not have any active owned or controlled entities.

Further Steps

AstraZeneca will continue to review and improve its practices to identify and eliminate to the fullest extent practicable modern slavery or human trafficking from our business. This includes further developing our Third Party Risk Management Framework.

This statement has been reviewed and approved by the board of directors of AstraZeneca Holdings Pty Ltd pursuant to section 14(2)(d)(ii) and is signed by Liz Chatwin.



Liz Chatwin
Country President,
Australia and New Zealand

30 June 2021

