

Annual Modern Slavery Statement for 2020-2021

About this Statement

*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 second modern slavery statement (**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 criterion set out in section 16 the Modern Slavery Act 2018 (Cth) (**Act**).*

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.

1. Mandatory Criteria One and Two:

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

1.1 GMP Structure

This Statement applies to **GMP Pharmaceuticals Pty Ltd**, ABN 80 063 353 006 (**GMP**)

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

GMP has plants, factories and warehouses in Huntingwood and Girraween and one warehouse in Smithfield.

1.2 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 dietary supplements, vitamin supplements, weight loss products and pro-biotic 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. The predominant regions we source our materials are domestically in Australia, followed by New Zealand and China.

We also have subsidiaries with manufacturing operations of health supplements based in New Zealand.

GMP and its subsidiaries employ around 500 employees in Australia.

GMP and its subsidiaries each share in its views, philosophies and work place culture. GMP is taking active measures with its subsidiaries to implement consistent policies and procedures across each of GMP's subsidiaries to reinforce our shared culture and values. While GMP and its subsidiaries aim to implement consistent policies and procedures across the corporate structure, some policies or procedures may differ due to the different laws that apply 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 at paragraphs 3 to 5 below 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.

1.3 GMP supply chain

GMP estimates it engages approximately more than 500 direct suppliers across the globe. This is inclusive of regular and ad-hoc suppliers that GMP may engage on a one-off basis. GMP intends to progressively review its indirect suppliers overtime, however, for this statement we have focused on assessing modern slavery risks associated with direct suppliers.

Our highest spend countries in terms of the goods and services provided to GMP 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 at GMP.

2. 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, and that this risk exposure may be higher when we engage indirect or third-party suppliers. For example, the Global Slavery Index identifies regions in Asia as associated with higher risks of slavery. However, the type of work being carried out by each supplier will also impact the level of such risk.

While the pharmaceutical industry is well regulated, we recognise that modern forms of slavery include human trafficking, forced labour and child labour. We intend to take further steps to understand what these risks are and to manage them accordingly.

We have drafted policies and are in the process of implementing processes for our procurement team to map out and identify all our direct suppliers and moving forward, our indirect 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. We set out at paragraph 3 below more details on the actions taken by GMP to assess and address the risks of modern slavery practices.

3. 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 as well as prevent or remove those risks. 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. In particular, we do this through the following actions set out below.

3.1 Anti-Slavery Policy

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

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 prevent or manage such 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 effective and relevant.

3.2 Code of Conduct

GMP has an internal code of conduct shared with its employees, 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.

3.3 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.

3.4 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 of modern slavery from occurring in our business.

GMP strongly condemns and is against the use of unfair practices while hiring and employing staff. GMP has newly introduced the "vendor due diligence requirement" to 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.

3.5 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 of existing suppliers. This enables us to identify and mitigate risks of modern slavery practices occurring within our supply chain.

GMP is also continuously updating our standard terms and conditions of purchase agreements 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 and standards in relation to addressing modern slavery risks. Our commitments also include a third-party risk assessment to assist with due diligence procedures.

With respect to engaging 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.

With respect to existing suppliers, GMP has recently implemented a mandatory Supplier Questionnaire, which is designed to identify possible risks or issues related to modern slavery in their operations or supply chain. GMP's suppliers are now required to respond to its Supplier Questionnaire each year. Further, GMP's questionnaire to its suppliers will continuously be reviewed and improved to better assess the risks of modern slavery in its supply chain.

3.6 Training

We have provided a training session to our senior management team, and specialist procurement and operations team. During that training, we went over the Anti Slavery Policy and educated our team members the specific assessment areas and actions they can take to mitigate modern slavery risks occurring in GMP's supply chain or operations.

3.7 Remediation

GMP's collection of policies and associated processes referred above inform our approach to address and 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 or operations, GMP is committed to a remedial and victim-centric approach in working with affected suppliers or persons.

4. 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 of GMP's standard supplier contractual terms to include a requirement that the supplier 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;
- 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; and
- 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.

5. 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.

6. Mandatory Criterion Seven:

Any other relevant information

6.1 Impact of COVID-19

GMP is aware of the many persisting challenges remaining from the aftermath of the COVID-19 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 'Mandatory Criterion 4' in a manner consistent with its desire to maintain stable business operations and supplier relationships, mitigating and reducing the risk of modern slavery affecting the livelihoods of vulnerable workers.

This Statement was prepared with consultation and consideration by various members of GMP and GMP's subsidiaries, and approved by the Board of Directors of GMP Pharmaceuticals Pty Ltd.



Mr. Daniel Xu
Group Chief Operating Officer | GMP Pharmaceuticals Pty Ltd

21 December 2021