



AstraZeneca
Australian
Modern Slavery Statement

For The Year Ending 31 December 2023

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 Standard on **Expectations of Third Parties**. Further details can be found in the ‘Our Relationships with Third Parties’ section below.

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.

Since 2018, AstraZeneca has been using the Fair Wage Network database on living wage thresholds (existing in more than 200 countries) to systematically compare average wages of the employees within our company to living wage thresholds. We provide further details regarding how this comparison data was used during this reporting period later in the statement.

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). Please note that, Alexion Pharmaceuticals Australasia Pty Ltd (ACN 132 343 036), a related body corporate, is submitting a separate modern slavery statement for the financial year ending 2023.



“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 in Oncology, Rare Disease (Alexion), and Biopharmaceuticals, including Cardiovascular, Renal & Metabolism, Respiratory & Immunology, and Vaccines & Immune Therapies. In 2023, we had an active presence in some 85 countries and sold our products in approximately 125 countries. Our innovative medicines are used by millions of patients worldwide.

To drive our science, we have disease-area focused R&D organisations in each of our therapy areas that are responsible for discovery through to late-stage development and working to realise the potential of our pipeline to deliver sustainable growth. We have Commercial regions that align product strategy and commercial delivery, while our Operations function develops, manufactures and delivers our medicines in 16 countries around the world.

We are headquartered in Cambridge, UK, and also have major hubs in Sweden and the United States. We employ a highly skilled permanent and part-time workforce of approximately 89,900 employees, but we also use contractors and labour agents in sourcing a highly skilled workforce.

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

In 2023, we had an active presence in some 85 countries and sold our products in approximately 125 countries. Our innovative medicines are used by millions of patients worldwide.

Operations

In Australia, we separate our activities into two areas: supply and manufacturing, and marketing. Our supply and manufacturing facility, located in North Ryde, Sydney, is one of the largest manufacturers of pharmaceuticals in Australia. In 2023, we manufactured A\$231 million of respiratory products of which approximately 98% were exported to countries such as China, Japan, Egypt, Belgium, Vietnam, and Indonesia. We are also key partners for leadership and technical capability within the Asia Pacific operations network.

AstraZeneca employs 979 people in Australia. Broadly, these roles fit into the following categories: 550 employees in commercial roles, 380 employees in operational roles and 59 employees in clinical roles. 841 are full-time employees while 138 are part-time employees. There are no casual employees in AstraZeneca Australia.

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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. As of 2023, the top 95% of AstraZeneca spend is with ~3,300 suppliers of which ~500 are small businesses. 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. For more information on our business structure, workforce, and operations please refer to our global annual report.

AstraZeneca's Australian operations have approximately 600 suppliers with over 89% located in Australia. Outside Australia, the supply chain includes suppliers in the United States, the United Kingdom, Denmark, Belgium, Germany, Netherlands, Norway, Spain, and New Zealand. As examples, we import our raw materials from the USA, Sweden and Netherlands, packaging materials from Norway and Spain, and gloves from Malaysia.

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. The types of business arrangements with our suppliers vary depending on business need. We generally maintain global suppliers in stable long-term engagements, while our local suppliers are usually more short-term and changeable.



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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 (3PRM) process that is described in the 'Actions' section below. This includes human and labour rights as a standalone risk area and assesses risks such as forced or bonded labour, child labour, wages and benefits, hours/rest period and leave, collective bargaining, grievance procedures, discrimination, and harassment.

The potential risks posed to workers are continuously evolving and may have been exacerbated by increasing geopolitical tensions. We continuously review our approach to assessing risk in our global supply chains, to take account of emerging challenges and updated information sources. For example, as discussed in further detail in the 'Supply Chain' section below, in March 2022 we launched a new supplier assessment program, EcoVadis, to assess the sustainability ratings of our suppliers, including in relation to modern slavery risks.

During the 2023 reporting period, our Third-Party Risk Management framework was improved, as discussed further in the 'Due Diligence' section below.

Organisationally, we also maintain dedicated internal compliance and audit resources that review the way we manage all forms of risk, including modern slavery risk (see the 'Our Governance / Risk Ownership' section below). For more detail regarding AstraZeneca's approach to reviewing how we assess risk in our global supply chain, refer to the 'Effectiveness' section of this statement.

We work to ensure our strategies and efforts to mitigate environmental issues do not negatively impact other human rights. In line with the requirements of the Corporate Sustainability Reporting Directive (CSRD), in October 2023, we initiated a double materiality assessment to fully understand how the business is impacted by sustainability in addition to how AstraZeneca's activities impact society and the environment.

This risk assessment process also informs the risk register that AstraZeneca maintains of our business operations, which includes modern slavery risks. Any modern slavery risks are identified by the risk owner. Mitigation plans are proposed and included in the risk register. The risk register is then reviewed by 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.

The areas of our business which are highest inherent risk for human rights and modern slavery issues continue to be construction, temporary resources, recruitment, facilities, logistics, hotels, the use of human biological samples, and sourcing of agricultural products and electronic components which are generally used to make or deliver our products to patients. These activities combined with the use of the Global Slavery Index geographic ratings help us identify, assess and monitor high-risk engagements with third parties.

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 majority of direct permanent employment arrangements in place, limited use of third party labour arrangements, and the high level of unionisation of our manufacturing 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. We implemented a new Third-Party Risks Assessment in April 2022 which provides a more detailed approach to assessing risks, including modern slavery. We also launched EcoVadis in March 2022 which assesses sustainability ratings of suppliers, including modern slavery risks. We do acknowledge that the risk of modern slavery may be higher deeper in our supply chains. As highlighted below, we continue to look at ways in which we can further understand and assess modern slavery risks beyond our direct suppliers.

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 risks still exist.

AstraZeneca has significant facilities management requirements due to the size and nature of our operations and premises, in particular our manufacturing site. Facilities management is currently outsourced to CBRE at our manufacturing site and OCS at our commercial site. In 2024, we have commenced a major recruitment project at our manufacturing site to move away from outsourced specialised cleaning and site sterilisation services and move to a direct employment model, eliminating any potential third party risks in these areas.

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’s capital projects and expansions generally focus on the delivery and installation of new manufacturing and related equipment. Construction activities are a vital part of such projects and help to create new spaces or reconfigure existing spaces within the facility to house the 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.



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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, they are generally manufactured in off-shore markets, such as China and Malaysia, which present a higher risk of modern slavery practices.

As reported last year, as a result of concerns raised internally, we discovered in August 2022 that single use gloves used within AstraZeneca’s global operations had been manufactured in a factory in Malaysia with links to modern slavery. Following investigation, the glove manufacturer is no longer using the sub-contractor in question to manufacture their gloves and, to the best of our knowledge, all of the single use gloves in our operations are modern slavery free.

The gloves with ties to modern slavery were in use within AstraZeneca for approximately three months; the manufacturer took proactive steps to increase internal production capacity and end their relationship with the factory in question after discovering working conditions had declined during the pandemic.

We are always working with our approved vendors to ensure the level of due diligence being undertaken on the manufacturers, including what mitigations they have in place to prevent modern day slavery. While this issue did not directly impact any of AstraZeneca’s Australian operations, AstraZeneca Australia now ensures that we receive regular updates from our glove supplier on its management of modern slavery risks in its supply chain. Please refer to the ‘Effectiveness’ section below for further information on the actions we have taken to reduce the risk of reoccurrence.

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 through AstraZeneca globally, 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 continue to explore further in future reporting periods.

Actions

Our Governance / Risk Ownership


The Global Risk Owner for modern slavery and human trafficking is the Executive Vice-President Operations & Information Technology, Chief Sustainability Officer. Their remit includes accountability for our Global Supply Chain & Strategy and Global Procurement functions. To support the Executive Vice-President, we have dedicated internal compliance and audit resources responsible for reviewing the way we manage all forms of risk, including human and labour rights 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.

Our 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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Our Policies

AstraZeneca does not tolerate modern slavery or human trafficking in any part of our business or our supply chains. The [AstraZeneca Human Rights Statement](#), which applies to the Australian business, asserts our responsibility to respect the rights of all people.

This commitment to respecting human rights is underpinned in our policies, our 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.

The AstraZeneca [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. This policy states that Third Parties should never engage in, support, or condone any form of slavery or human trafficking. Further, through this policy, AstraZeneca requires Third Parties to promptly report all concerns and issues related to Modern Slavery and Human Trafficking identified in their business and supply chain. This is addressed in further detail in the ‘Our Relationships with Third Parties’ section below.

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. AstraZeneca takes such reports seriously and investigates all concerns raised, seeking to resolve matters in accordance with our Code of Ethics and applicable law.

Our [HR Australia Whistleblower policy](#) provides an anonymous and confidential reporting mechanism for eligible disclosers to raise any concerns with the company where there may be reasonable grounds to suspect concerns of misconduct or an improper state of affairs in relation to AstraZeneca, and provide disclosers with protection from detrimental conduct, acts or omissions.

This policy reflects the requirements of Section 1317A(5) of the *Corporations Act 2001* (Cth) (the Corporations Act). AstraZeneca Australia, as a ‘Large Proprietary’ company, is bound to treat ‘Protected Disclosures’ in accordance with the provisions of the Corporations Act. Under our policy, whistleblowers can choose to report anonymously at www.AZEthics.com. AstraZeneca’s Global Investigations team triage cases received and engage appropriate functions depending on the nature of the cases reported.

We also work to develop and maintain good relations with local workforces and work closely with our recognised national trade unions. We regularly consult with employee representatives or, where applicable, trade unions, who share our aim of retaining key skills and mitigating job losses.

According to our internal Human Rights survey carried out in 2022, 45% of countries in which AstraZeneca operates have a relationship with trade unions. Where trade unions do not exist in an area of operation, 95% have established arrangements to engage similarly with their workforce. The reduction in number of countries with relationships with trade unions from the numbers recorded in our 2020 report resulted from a misunderstanding of the question in the 2020 survey.

Due Diligence

When assessing third parties, the core AstraZeneca business uses activity and geography-based factors to identify, assess and document actions to mitigate risks to our human rights and labour right principles. These factors determine which third-party engagements are deemed to be high-risk and therefore require a deeper level of assessment. In practice, this means that vendors identified as being high-risk will be subjected to a further round of due diligence questions as part of the Third-Party Risk Assessment process discussed in more detail below. Where necessary, third parties are required to answer specific questions about the policy, procedures and controls they have in place to manage human rights and labour risks on AstraZeneca’s behalf, including audits.

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.

Our 3PRM Framework consists of processes, associated systems and outsourced support to deliver greater levels of automation, control and expertise. Migration from the previous 3PRM process occurs in line with the regular review of existing suppliers which is annually for high-risk suppliers and every three years for low and medium risk suppliers.

The 3PRM process also includes increased monitoring activities. This includes continuous process execution monitoring, ongoing adverse media screening and monitoring to ensure that vendors implement measures that they have agreed to as part of the 3PRM assessment. The approach is data-driven, in terms of geography, spend categories, the user base and third-party responsiveness to AstraZeneca requests.

Since initial implementation, 3PRM processes and systems have benefited from continuing cycles of constant improvement. The objectives have been to:

- make the process as accessible as possible for colleagues and suppliers and remove barriers to engagement.
- allow users to understand where they are in the process and clearly see any outstanding actions.
- increase capacity to ensure a fully supported ‘helpdesk’ capability to assist with enquiries or issues.

These initiatives have had the benefit of shortening timescales for execution, early identification of where issues are arising and improved reporting on performance.

The changes we have implemented, and ongoing improvements, have been recognised by the Chartered Institution of Procurement and Supply, winning the “Best approach to Risk Mitigation in 2023” across industry excellence awards.

In 2023, 10,837 third parties were assessed through our 3PRM process globally, with 8,063 of these being new assessments and 2,774 being reassessments of existing third parties.

Of the 386 engagements with high risk of modern slavery, 40 assessments were reviewed through the second line compliance assurance process. We did not reject any engagements at onboarding due to human labour rights related risks, opting instead to work collaboratively with vendors to improve their processes where risks were identified. We continue to be firm on ending the relationship where no satisfactory improvement or resolution is reached or where the supplier cannot meet our high third-party expectations. 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. Where possible, rights of audit are also included in supplier contracts.



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Further management

We include modern slavery as an aspect of our human rights agenda. Human rights is one of the focus areas within our sustainability strategy that was selected through a prioritisation process by both internal and external stakeholders, including suppliers and non-government organisations. We commit to monitor our human rights performance, set targets, and share challenges and outcomes publicly. The annual [AstraZeneca Sustainability Report](#) discloses this information.

As Signatories of the United Nations (UN) Global Compact since 2010 and Participants since 2018, we commit to advance the Ten Principles on human rights, labour, environment and anti-corruption and the UN Sustainable Development Goals (SDG). We share our progress against the UN SDG targets for Good Health and Wellbeing, Gender Equality, Decent Work and Economic Growth, and others in our annual [AstraZeneca Sustainability Report](#).

We conduct an internal labour rights survey every two years in the countries where we operate. In 2022, we launched another global Human Rights Labour Review, which focuses on the International Labour Organisation’s core themes, including freedom of association and collective bargaining, child labour, discrimination, working hours and wages. We also incorporated questions about family-friendly leave to support addressing global inclusivity in this area.

In response to the report coming out of 2022 Human Rights Survey, the HR leadership team agreed to address the four countries without an Employee Assistance program or equivalent by the end of 2023. An Employee Assistance Program is now in place for three of the countries with the remaining country still under review.

Each HR Director was also encouraged to review the family leave options with their local market to identify opportunities for more inclusive leave policies aligned to local regulations.

In Australia, we completed our review and updated our leave policies to be more inclusive in 2023. For example, our Parental leave policy conditions were increased to be market leading by offering 16 weeks paid leave for employees, regardless of their parental role for the newborn child. The policy terms also are inclusive of employee’s who experience stillbirth. The Family and Domestic Violence leave policy entitlements increased to be market leading, prior to subsequent increased legislative obligations for Australian employers.

AstraZeneca Australia has achieved Silver Accreditation for 2023 from the Australian Workplace Equality Index as an employer of choice for LGBTQ+ employers and candidates.

Additionally, all AstraZeneca Australia HR policies include the following inclusivity clause: “Our policies are inclusive of all employees regardless of gender, race, age, ethnicity, nationality sexual orientation, intersex status, physical or mental disability, mental health condition, relationship status, religion, pregnancy, breastfeeding or family responsibilities or other attributes protected by law.”


We also analyse our wage data with the Fair Wage Network who aim to improve wage levels and development mechanisms beyond minimum legal requirements for all industries. It collects available associated data from all countries’ economies and logs all locally recognised definitions of a ‘living wage’ to provide an average.

Our analysis of the updated database of the Fair Wage Network, which was issued in response to the cost of living crises, demonstrated that all employees are paid a fair wage with a small number of exceptions that have now been addressed. No further action is proposed, and a further analysis will be completed in 2024.

We are members of Pharmaceutical Supply Chain Initiative (PSCI) Human Rights and Labour subgroup. PSCI is an industry collaboration that supports principles for responsible supply chain management for ethics, labour, health, safety, environment and related management systems.

We are also members of Business for Social Responsibility’s Human Rights Working Group, a global, cross-industry network from businesses focused on human rights challenges and sharing best practices.

In Australia, we have responded to increased obligations for our employee’s health & safety with our first Psychosocial Risk Assessment in 2023 which identified minimal concerns. Our action plan focuses on upskilling our people managers.



Our policies are inclusive of all employees regardless of gender, race, age, ethnicity, nationality sexual orientation, intersex status, physical or mental disability, mental health condition, relationship status, religion, pregnancy, breastfeeding or family responsibilities or other attributes protected by law.

Our Relationships with Third Parties

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

To help our partners understand our values and what it takes to work with AstraZeneca, our [Expectations of Third Parties](#) policy sets out the values that AstraZeneca holds important and provides a clear guide on our ethical position. We require our suppliers and other third parties to operate in line with internationally recognised human rights and promote and maintain a culture of respect and equal opportunities. This requires our suppliers and other third parties to not use any form of forced, bonded, involuntary or indentured labour.

We hold suppliers to high standards whilst offering opportunities to build their own sustainability knowledge and capabilities. This published document is available on our website and referenced in all of our Purchase Orders and Contracts, giving a legal standing to our ‘Expectations’.

Training and Risk Awareness

In 2023, we delivered a global risk awareness module to all employees in risk gate-keeping roles in Operations, Human Resources and Compliance. The awareness training explained how to spot the signs of modern slavery, detailed the high-risk activities for the company and clarified the internal escalation process for concerns related to this risk. This training has also been made available to third parties. As of June 2024, the training has been rolled out to 3,627 employees and has a completion rate of 95%.

All AstraZeneca employees receive an annual Code of Ethics training. Rolled out globally in October 2023, the course was completed by 100% of active AstraZeneca employees (both in Australia and globally) by 31 December 2023.

Our live internal social media platform reached 399 voluntary members who share information and champion risk awareness and mitigation in the business.

We have created videos and presentations which have been rolled out as part of a campaign to raise awareness of modern slavery within internal groups that interact regularly with third parties.



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Stakeholder and industry collaboration and engagement

In 2023, 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.

Recognising the rapidly evolving landscape in terms of legislation and the increase in cases of modern slavery reported as indicated by the updated Global Slavery Index, we undertook a review of our human rights program with Slave Free Alliance. We are working to pull together a cross-functional project team to address the gaps identified which will include updating and refining our human rights policy and strategies as well as working to implement the new human rights legislation with particular focus on the EU Corporate sustainability Due Diligence Directive and Corporate Sustainability Reporting Directive.

Effectiveness

As previously mentioned, for the reporting year ending 31 December 2023, 10,837 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 assessed.

The number of third party assessments continues to fall year-on-year as the number of new third parties entering our supply chain continues to reduce, reflecting ongoing supplier consolidation.

As part of the 3PRM process, all in-scope assessments underwent screening to identify any negative findings in the public domain. For this reporting period, one finding connected to human and labour rights was identified. This finding related to a third party who was accused by a US thinktank of connections with forced labour. We are undertaking a business transparency exercise with the third party to fully understand the risks and accuracy of the report.

In 2023, we received a report that a number of red flags were raised during our standard background screening for five IT contractors hired via a third party. Following investigation into the welfare of these contractors, the report was found to be unsubstantiated but did highlight some areas for improvement in the due diligence carried out on Tier 2 and beyond suppliers when onboarding contractors. We continue to work with the third party in question to improve these processes.

Following an internal investigation in 2022 which discovered that single use gloves that may have been manufactured using forced or bonded labour were previously in use within our organisation for a period of three months, we have continued to work with our key supplier and their end-to-end supply chain for single use gloves. This work has resulted in driving actions to reduce the risk of recurrence including on-site audits of manufacturing locations in Asia; ESG reviews of these suppliers; implementation of supply chain transparency and ethics tools. We are working with local partners and recognised experts to advocate and drive change in the industry.

AstraZeneca's Global Ethics & Compliance function performs second line monitoring of Third Party Risk Assessments through sample review to assure that all forms of risk, including human and labour risks, have been correctly identified and mitigated as appropriate. Our second line monitoring identified 21 assessments that required more in-depth review by a contract manager as a result of risks not being appropriately mitigated.

Within Australia, 344 of our vendors have completed third party assessments. There were no reported cases of human rights violations, including those 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, and Compliance functions, is informed of any third parties exited as a consequence of human and labour rights risks identified through due diligence.

We continue to undertake enhanced due diligence on carbon offset projects, working with external SMEs to ensure we fully understand the local risk profile and are not contributing to other issues in our efforts to reach carbon zero. This has led to collaborations with project management companies to increase awareness of human and labour rights topics and risks in relation to climate projects which will subsequently be used across all projects including non-AstraZeneca projects.

In addition to the 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.

Our Global Procurement function uses sustainability performance assessments to rate our top 95% of suppliers by spend using the EcoVadis platform, which rates our suppliers' Environment Social and Governance (ESG) performance against four themes: Environment, Labour & Human Rights, Ethics, and Sustainable Procurement. The Labour & Human Rights theme includes the elements of Child Labour, Forced Labour & Human Trafficking, Inclusion & Diversity, Discrimination & Harassment and Supplier Diversity. Higher ESG ratings via the EcoVadis platform should correlate strongly with lower risk Human Rights and Labour issues.

As of December 2023, 70% of our spend is with suppliers who have completed an EcoVadis ESG assessment, and 85% of these suppliers have achieved the overall target score of 45 or more for the Human Rights and Labour assessment category.

Our objective is to ensure that our top 95% of suppliers by spend are reporting via EcoVadis by 2025. We will continue to work with suppliers to address any gaps identified with tracked action plans. If this is not achievable, we will work towards moving business to alternative suppliers where this is feasible.

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We have worked to implement responsible sourcing initiatives with particular focus on sourcing of solar panels and mitigating the risks of modern slavery. Enhanced due diligence has been added to our RFP (request for tender) process, contract clauses have been updated obliging transparency, reporting and supply chain due diligence and educational materials have been produced.

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 Procurement, Finance, Legal, Compliance 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. As noted above, 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, to the fullest extent practicable, eliminate modern slavery or human trafficking from our business. This includes continuous improvement of 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) of the *Modern Slavery Act 2018* (Cth) and is signed by Benjamin McDonald.



Benjamin McDonald
Country President,
Australia and New Zealand



30 June 2024