



MODERN SLAVERY STATEMENT

for Elanco Australia Pty Limited and Elanco Australia Holding Pty Limited

**pursuant to the Modern Slavery Act 2018
for the financial year ended 31 December 2021**

As a global U.S. publicly traded animal health company, Elanco works in a complex legal and regulated environment. Elanco employees, together with its suppliers and third parties, have a shared responsibility to act legally, ethically and abide by the Elanco values of Integrity, Respect and Excellence.

MODERN SLAVERY ACT STATEMENT

This statement is made pursuant to the Modern Slavery Act 2018 (“**Act**”) which requires entities based or operating in Australia, which have an annual consolidated revenue of more than \$100 million, to “report annually on the risks of modern slavery in their operations and supply chains, and actions to address those risks”.

REPORTING ENTITY AND STRUCTURE

This statement is made on behalf of each of the two following private limited Australian companies, both of which are a *reporting entity* under the Act, for their financial year ending 31 December 2021:

- **Elanco Australasia Pty Limited** (ABN 64 076 745 198)
- **Elanco Australia Holding Pty Limited** (ABN 24 628 673 754)

Both of the above companies are located at Level 3, 7 Eden Park Drive, Macquarie Park, NSW 2113, Australia. Elanco Australasia Pty Limited is wholly owned by Elanco Australia Holding Pty Limited; these two reporting entities are the only Australian Elanco group legal entities. For the purposes of this Statement, the above reporting entities are together referred to as “**Elanco Australia**”.

ELANCO GROUP OPERATIONS

Elanco Australia are each part of the Elanco group of companies (“**Elanco**”), with their ultimate parent company being Elanco Animal Health Incorporated. Elanco is headquartered in Indiana, US and Elanco Animal Health Incorporated is listed on the New York Stock Exchange (NYSE: ELAN).

Elanco is a global leader in animal health dedicated to innovating and delivering products and services to prevent and treat disease in farm animals and pets, creating value for farmers, pet owners, veterinarians, stakeholders, and society as a whole. With nearly 70 years of animal health heritage, Elanco is committed

to helping its customers improve the health of animals in their care, while also making a meaningful impact on local and global communities. Elanco distributes its products to veterinarians, retailers, wholesalers and distributors, food animal producers and pet owners in over 90 countries, including Australia.

Elanco's approach to sustainability is built on the four interconnected pillars of Healthier Animals, Healthier People, Healthier Planet, and Healthier Enterprise. These represent the areas most important to customers, employees, investors, and other stakeholders, bringing to life Elanco's vision of Food and Companionship Enriching Life (more information can be found at www.elanco.com).

Elanco's four main areas of business are:

- **Companion Animal Disease Prevention:** Vaccines and parasiticide products that protect pets (dogs and cats) from worms, fleas and ticks
- **Companion Animal Therapeutics:** Pain and osteoarthritis products including treatments for otitis (ear infections), as well as cardiovascular and dermatology indications
- **Food Animal Ruminants & Swine products:** Food animal products (including vaccines, antibiotics and parasiticides) used in ruminant (beef and dairy cattle and sheep) and swine production.
- **Food Animal Future Protein & Health:** Vaccines, parasiticides, functional nutritional health products (enzymes, probiotics and pre-biotics) and animal-only antibiotics used in poultry and aquaculture production.

Elanco owns and operates manufacturing facilities located in various countries, currently including the US, France, Germany, China, Canada, Taiwan, New Zealand, Vietnam, Korea, Mexico and Brazil. Additionally, Elanco has contracted manufacturing suppliers in various countries, currently including Australia, New Zealand, US, Switzerland, Ireland, Brazil, China, Portugal, Belgium, Singapore, Germany and England.

Elanco has R&D facilities and operations based in Australia, Germany, Switzerland, Brazil, China, USA and India.

ELANCO AUSTRALIA'S - OPERATIONS AND SUPPLY CHAIN

In Australia, Elanco was established as part of Eli Lilly and Company in 1960. Elanco Australia's head office is located at Macquarie Park, NSW. It also has a R&D facility based at Kemps Creek, NSW.

Elanco Australia researches and develops and markets and distributes animal health products (and related services) in Australia, as follows:

Marketing and Distribution: Elanco Australia markets and distributes a wide range of animal health products in Australia primarily for farm animals - sheep, beef cattle, dairy cattle, pigs, and poultry; and companion animals - primarily cats and dogs.

R & D: Elanco's Australian based R&D facility conducts various R&D activities from early research to full development.

Manufacture and Supply Chain: Elanco does not itself manufacture products in Australia, although it has several contract manufacturers in Australia. Many of Elanco products sold in Australia are manufactured

overseas, mostly in Europe, the US and Asia Pacific, by either Elanco owned sites or contracted manufacture (third party) sites. Where contract manufacturers are used to supply products, there are a number of mandatory conditions of supply to Elanco, which are further outlined below.

Elanco Australia's supply chains broadly fall into the following main supplier categories:

- finished products suppliers and distribution arrangements (including in-licencing);
- contract manufacturing suppliers;
- research and development activities including clinical trials;
- production inputs including raw materials, packaging materials, active ingredients and excipients;
- sales and marketing goods and services;
- transport services to transport products both within Australia and to import products from overseas locations;
- supply of good and services ancillary to core business such as Information Technology, administration and general goods and services, maintenance services for Elanco sites, management and recruitment of Elanco workforce, and provision of professional services;
- provision of services by offshore service centres including HR, accounts and financial/accounting service centres in Malaysia, India, and Warsaw, owned by Elanco.

RELEVANT PRACTICES IN THE REPORTING ENTITY OPERATIONS AND SUPPLY CHAINS

Elanco sets out, on its public facing website, an outline of its approach to sustainability through the annual [Environmental, Social and Governance \(ESG\)](#) report and an outline of its Ethics and Compliance program: [Ethics & Compliance \(elanco.com\)](#).

At Elanco, all employees have a shared responsibility to embrace a culture of “doing it right”. To support Elanco's employees in this effort, Elanco's Ethics and Compliance Centre of Excellence team, led by Elanco's Chief Ethics and Compliance Officer, has designed a global Ethics and Compliance program. Program implementation, execution, consultation, and monitoring is supported locally within countries, including Australia, by Elanco's internal Ethics and Compliance Network.

The Elanco Group takes modern slavery risks seriously. We set out below the steps Elanco takes (or, where noted, intends to take in the near future) to identify and mitigate risk of modern slavery in its operations and associated supply chains and assess effectiveness of same:

General

Laws and regulations: As a Company with global operations, Elanco is committed to acting legally and ethically, following the laws, regulations, policies, and procedures that govern Elanco's business in all locations in which Elanco operates. Likewise, Elanco's contracts with third parties typically contain provisions by which each party undertakes to comply with (on a continuous basis) all applicable laws and regulations, and Elanco typically ensures that it has customary rights to audit compliance with such obligations.

Reporting: All of the countries where Elanco operates have different regulatory reporting requirements. Elanco submits various reports to regulatory authorities, as required, including, where applicable, in relation to employment practices and conditions, such as reporting on gender pay equity. In addition to this Statement, Elanco publicly produces an annual Modern Slavery Act 2015 (UK) statement in the United Kingdom.

Suppliers & other Business Partners

OECD guiding principles: Elanco adheres to the OECD guiding principles for human rights and expects its business partners to abide by these guidelines and local laws, when applicable, regarding modern slavery, child labour, forced labour and other rights.

Pharmaceutical Supply Chain Initiative: Elanco is a full member of the Pharmaceutical Supply Chain Initiative (“PSCI”) organization. Through Elanco’s membership, Elanco is committed to furthering responsible supply chain management and sustainable business practices across Elanco’s network of Elanco facilities and its external key suppliers.

The PSCI Principles for Responsible Supply Chain Management articulate what the industry expects from the supply chain. The PSCI Principles address five areas of responsible business practice: ethics, labour, health & safety, environment, and management systems. In each area, the PSCI Principles set out the relevant practices any business operating within the pharmaceutical supply chain is expected to uphold. The human rights and labour principles cover: freely chosen employment; no child labour; legal treatment of young workers; non-discrimination; fair treatment; wages, benefits and working hours; and freedom of association.

Elanco requires that key suppliers meet the PSCI Principles in their workplaces. Elanco’s standard supply contracts commonly contain commitments to support the PSCI Principles and this includes the potential for on-site assessment to verify adherence to various PSCI Principles.

Business Partner Code of Conduct: Elanco has a globally applicable Elanco Animal Health Business Partner Code of Conduct (“**Business Partner Code**”), which provides both suppliers and third parties working on Elanco’s behalf a set of expectations when conducting Elanco business. The Business Partner Code is publicly available at: [Suppliers - Elanco](#) - and is published in ten different languages.

The Business Partner Code provides that Elanco’s third-party business partners are responsible for ensuring their employees are aware of and comply with the Business Partner Code. It also provides that they hold their own suppliers and other third parties to the same standards.

The Business Partner Code provides that:

“Elanco adheres to the OECD guiding principles for human rights and expects all business partners to abide by these guidelines and local laws, when applicable, regarding modern slavery, child labor, forced labor and other rights.”

Through contractual provisions, Elanco requires third parties to abide by its Business Partner Code. Elanco Australia’s suppliers are referred to the Elanco supplier website, which houses the Business Partner Code, on Purchase Orders issued to suppliers. Elanco Australia’s Purchase Order Terms & Conditions (clause 13) also require suppliers to agree to comply with all applicable laws, regulations, and industry codes together with applicable Elanco policies they are made aware of, including, Elanco’s Business Partner Code of Conduct.

Third party due diligence: Elanco conducts anti-corruption due diligence (**ACDD**) on third parties with whom Elanco does business that meet certain pre-determined criteria. ACDD helps Elanco ensure the

third party is trustworthy and shares a commitment to doing business the right way. The process screens in-scope third parties prior to Elanco engaging in work with them to look for common “red flags” that may signal corruption, and Elanco renews the ACDD screen on a regular basis. Elanco utilizes a robust third-party management system solution to manage this process. The system is designed to mitigate risk by identifying potential red flags that may signal issues related to corruption, before such in-scope suppliers are onboarded. This system screens third parties using artificial intelligence powered monitoring and search tools to identify real time coverage of negative news while also screening watchlists, sanctions, embargoes, politically exposed persons, and state-owned enterprises.

Reporting of Concerns: Elanco has an *Elanco Integrity Line* which is published in its Business Partner Code, Elanco website (www.elanco.com), and Elanco Supplier Portal (www.elanco.com/en-us/suppliers). Business Partners are encouraged to contact the *Elanco Integrity Line* if they observe actions which are not aligned with Elanco’s commitments and the commitments required of its business partners or if they have any questions or concerns. The *Elanco Integrity Line* is a convenient, confidential and anonymous way for Elanco business partners (and Elanco employees and contractors) to report issues. Translation services are available in most languages.

Specialist functions and auditing: Elanco has global specialist functions including Ethics & Compliance, Legal, Health, Safety & Environment (HSE) and Quality who provide specialist advice and guidance to the Elanco business and its employees. Various of these functions conduct audits and inspections of key suppliers. In addition, due to the highly regulated business in which Elanco operates, Elanco and many of its suppliers are audited and/or inspected by relevant authorities. Elanco also has an internal audit function which audits its own functions and processes.

Employees

Elanco fosters a culture of integrity and doing the right thing in the right way.

Elanco adheres to applicable local labour laws and requirements in respect of all its employees and additionally commonly offers additional benefits and support to employees, their families, and their communities.

As noted above, many of Elanco products sold in Australia are manufactured by Elanco-owned and operated manufacturing sites. In all these sites, as well as shared service centre sites operated by Elanco, Elanco adheres to applicable local labour laws and requirements.

Employee Code of Conduct: Elanco has a Code of Conduct which is both publicly available on Elanco’s website www.elanco.com (at www.elanco.com/en-us/about-us/governance/e-and-c) and made available to all employee through the Elanco intranet. Elanco’s Code of Conduct is Elanco’s foundation that guides employee decision making and relationships, establishes Elanco’s behavioral expectations and sets the high standards against which performance is measured. The Code states that “*We are committed to acting legally and ethically, following the laws, regulations, industry codes, policies and procedures that govern our business. We apply good judgment and we seek help when we’re not sure of the right thing to do.*”.

Training: Elanco carries out regular staff training through online training courses that are required to be completed regularly and continues to review training options. This includes Code of Conduct training

which includes a lesson on Respecting People (covering human rights, including forced labour) and Speaking Up. The Code of Conduct training is offered in 19 languages and is mandatorily required to be completed by all Elanco employees on an annual basis.

Reporting of Concerns: Elanco employees, contractors and suppliers are encouraged to report any known or suspected violation of Elanco's Code of Conduct, policies, procedures or laws that regulate Elanco's business without fear of retaliation. The *Elanco Integrity Line* is a convenient, confidential, and anonymous way for employees, contractors, or suppliers to report issues, concerns or behaviours that could harm Elanco or those it serves. Translation services are available in most languages. Elanco employees can also report to their manager, Human Resources, Ethics & Compliance or Legal. No Elanco policy or procedure prohibits Elanco employees from reporting potential violations of any federal law or regulation to any government agency.

ASSESSING EFFECTIVENESS & OTHER FUTURE ACTIONS

Elanco is committed to maintaining and enforcing systems and controls effective in ensuring Modern Slavery cannot take place within its own business or in various companies forming its supply chain.

As such, Elanco intends to continue to develop and evolve its sustainability initiatives. As part of this evolution, Elanco will (amongst other things) consider what further steps should be taken with regards to assessing the effectiveness of its actions regarding prevention of Modern Slavery in its supply chain. This is anticipated to include matters such as:

- Elanco is working towards further evolving its supplier due diligence processes, including with regards to human rights, and may appoint a market leading third party supplier to support Elanco in these efforts. Elanco would look to utilise such supplier to further support Elanco in the area of assessment of the effectiveness of Elanco's due diligence program and other actions.
- Elanco intends to develop a comprehensive global human rights policy in 2022.
- Elanco will continue to monitor and investigate relevant complaints made to the *Elanco Integrity Line* compliance hotline and through other grievance mechanisms. Trends resulting from investigations will continue to be reported through to Elanco's global Investigations Oversight Committee. Complaints to regulators are (and will continue to be) reported on internally via a formal notification to senior management (including legal) process.
- Elanco will continue to review and benchmark its Ethics and Compliance program. In 2021, Elanco benchmarked its E&C/ACDD program using the Ethisphere benchmarking process.
- Elanco is in the process of conducting a review of its procurement template contracts and, as part of this process, will consider (amongst others) Modern Slavery, human rights, and sustainability (including related audit and monitoring rights) with a view to continuous improvement and ensuring best practices.
- As Human Rights standards and laws continue to evolve, including the introduction of new Modern Slavery/Human Rights legislation in other jurisdictions (such as proposed due diligence laws in the EU and the proposed UK Modern Slavery Act reform), Elanco will continue to monitor and keep

abreast of legal developments in this area (and in the wider area of anti-corruption) and continue to review its actions to ensure it remains compliant with its legal obligations.

- Elanco has recently conducted specific training on Human Rights standards and laws for key employees, which training outlined global modern slavery requirements (including in the Australian legislation). Such key employees included Elanco legal counsels (including Head of Legal International and Legal Counsel for Australia) together with Ethics & Compliance, Corporate Affairs and Procurement personnel. Elanco will continue to ensure that its personnel in relevant functions are trained in modern slavery legislation and human rights requirements including awareness of risk and appropriate decision making and action, likely in collaboration with a global external service provider specialized in this field (as mentioned above).
- As outlined above, Elanco requires its supplier sites to confirm to their compliance with Elanco's standards (including those set out in its Business Partner Code of Conduct and the PSCI Principles), which include standards on human rights. PSCI has done work to identify the top areas of human rights issues right throughout the supply chain which it believes participants in our industry should focus on. Elanco is currently assessing whether it will, in the future, move towards conducting formal assessment against these commitments around human rights.
- Elanco publishes an Environmental, Social and Governance (ESG) Report. The 2021 report is currently under revision and is expected to be published August 2022.

PROCESS AND APPROVAL

This statement is made pursuant to the Modern Slavery Act 2018 and constitutes the modern slavery statement for both Elanco Australasia Pty Limited and Elanco Australia Holding Pty Limited for the financial year ending 31 December 2021. This Statement was produced in consultation with key functions and key leaders within the business.

This statement was reviewed and approved by the Board of Directors of each of Elanco Australasia Pty Limited and Elanco Australia Holding Pty Limited on 28 June 2022. The boards of each reporting entity have the same Board members.



Hendrik Van der Walt, Director
Elanco Australasia Pty Limited
Elanco Australia Holding Pty Limited

28 June 2022