

GALDERMA

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2023 MODERN SLAVERY STATEMENT GALDERMA AUSTRALIA PTY LTD

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Note: This document contains forward-looking statements which involve certain risks and uncertainties that could cause actual results to differ materially from those contained in such forward-looking statements.

Introduction

This statement is published in accordance with the Australian Modern Slavery Act 2018 (Cth). It provides an update on the progress that Galderma Australia Pty Ltd (ABN 12 003 976 930) (**Galderma Australia**) has made during the financial year ending 31 December 2023 to prevent modern slavery in its business and supply chain.

Our company¹

With a unique legacy in dermatology as well as decades of cutting-edge innovation, Galderma is the pure-play dermatology category leader dedicated to advancing dermatology for every skin story. We are strategically positioned in attractive, consumer-driven segments of the dermatology market, characterized by high growth fundamentals. Through trusted partnerships with healthcare professionals, we meet individual consumer and patient needs with superior outcomes.

Galderma is currently active or present in about 90 countries and in 2023 generated 4,082 M USD net sales.

Our manufacturing footprint

Most of Galderma's products continue to be manufactured at production facilities located in Alby-sur-Chéran, France; Baie d'Urfé, Canada; Hortolandia, Brazil, and Uppsala, Sweden. The remaining products are manufactured by contract manufacturers.

Supply chain and manufacturing: Australia-specific | In the case of Galderma's operations in Australia, we do not manufacture any products locally. All of Galderma Australia's finished goods are sourced from our global factories or directly from contract manufacturers who service Galderma globally. To meet any additional needs in Australia, we engage a multitude of vendors for services including transport, warehousing, re-packing, marketing and employment services.

Galderma Australia does not have any registered office in New Zealand. Galderma distributes its products and services through a third party partner in New Zealand.

Policies & procedures

Galderma strives for the highest standards of integrity, with well-defined governance and a framework of standard operating procedures and policies which guide how our company, employees and partners conduct their business. Core to our compliance framework are the following Codes and Policies:

Code of Ethics | Our [Code of Ethics](#) is an express declaration of adherence to the highest ethical standards in our work. It sets out Galderma's values and principles for business conduct and states that it is the responsibility of every Galderma employee to "*do the right thing, the right way*" to ensure the highest standards of integrity. It means that when we create value for our company and its stakeholders, such as the people and communities we serve, we should do so by acting in an ethical and socially responsible way. Galderma expressly commits to embracing diversity and respecting the personal dignity, privacy and personal rights of every employee and is committed to maintaining a workplace free from discrimination and harassment.

¹Whilst not applicable to the reporting period of this 2023 Modern Slavery Statement, please note that as of Friday, March 22, 2024, Galderma is listed as a public company on the SIX Swiss Exchange. This milestone event marks a major turning point in Galderma's growth journey – one that is primed to propel Galderma further toward its bold ambition to become the leading dermatology company in the world.

Supplier Code | Our [Supplier Code](#) sets out the standards we expect our suppliers to adhere to when conducting business for us. These standards concern the environment, social aspects and business ethics and form an integral part of our contractual arrangements with our suppliers. It is the supplier's responsibility to communicate our standards to their employees, agents and subcontractors and to train them accordingly. Our Supplier Code covers the following:

- **Prison and forced labor:** The supplier must under no circumstances use or in any other way benefit from forced labor. Likewise, labor in the form of indentured servitude is prohibited, as is the use of corporal punishment, confinement, threats of violence or other forms of harassment or abuse as a method of discipline or control.
The supplier shall not utilize factories or production facilities that oblige work to be carried out by unpaid or indentured laborers, nor shall the supplier contract for the manufacture of products with subcontractors that engage in such practices or utilize such facilities.
- **Child labor:** As referenced by the International Convention for Children's Rights (art.32) and the Organisation internationale du Travail (OIT) convention (art. 138 and 182), the use of child labor by the supplier is strictly prohibited as it places children at risk or can compromise their schooling or negatively impact their physical, mental, spiritual, moral or social development.
- **Working Hours:** The supplier must ensure that their employees work in compliance with all applicable laws and mandatory industry standards pertaining to the number of hours and days worked. In the event of conflict between a statute and a mandatory industry standard, the supplier must comply with such requirement taking precedence under national law.
- **Compensation:** The supplier's employees must be provided with wages and benefits that comply with national and local applicable laws and binding collective agreements, including those pertaining to overtime work and other premium pay arrangements and social protection related terms.
- **Workplace Environment:** The supplier shall provide employees with safe and healthy working/housing conditions. At the very least, potable drinking water, adequate sanitation, fire exits and essential safety equipment, access to emergency medical care, appropriately lit and equipped workstations must be provided. In addition, facilities must be constructed and maintained in accordance with standards set by applicable codes and ordinances.

Anti-Bribery and Corruption (ABAC) and Healthcare Compliance Policies | Galderma's Anti-Bribery and Anti-Corruption Policy builds on the core principles of the Code of Ethics, is consistent with international standards and laws and provides the minimum ABAC requirements for Galderma and its partners. Galderma prohibits all forms of bribery and corruption, whether involving a government official or private person or entity and whether direct or through a third party. Galderma's company-wide ABAC program was further enhanced in 2022 through the introduction of targeted training on corruption prevention in the area of interactions with Healthcare Professionals (see also under "Training") as well as, in 2023, through the updating and upgrading of a comprehensive set of Healthcare Compliance Policies. Such Healthcare Compliance Policies cover, among other things, the following areas of activity:

- the provision of Gifts and Educational Items to Healthcare Professionals;
- the engagement of Healthcare Professionals for consulting services;
- the provision of hospitality (meals, travel and accommodation) to Healthcare Professionals; and
- the supply of free of charge samples to Healthcare Professionals.

Third parties and due diligence

At Galderma, we understand that there is a potential exposure to Modern Slavery when we are purchasing goods and services from third parties. Any third party engaged by Galderma

must conduct business ethically and is expected to comply with all our standards, including those laws and regulations relevant to where we operate (or where our third party partners operate on our behalf).

Galderma applies a risk-based approach when conducting due diligence on its third parties. This includes vetting of any third party prior to such third party's engagement, continuous monitoring throughout the duration of the relationship and ensuring appropriate training is provided to and by all such third parties. In 2022, Galderma launched a comprehensive distributor governance model which includes an enhanced risk-based due diligence process.

Galderma also audits its key suppliers' Corporate Social Responsibility (CSR) commitments using *Ecovadis* and takes this into account during its sourcing processes. *Ecovadis* assesses companies based on their performance in terms of environment, labour & human rights, ethics and sustainable procurement.

Risks of Modern Slavery Practices

Approximately 70% of Galderma Australia's units sold are produced by our global factories but production of certain products and formulations is outsourced. Given our deployment of contract manufacturers, several social and labor risks may arise in the supply chain:

- **Labor Rights Violations in Manufacturing Facilities:** Although we do not manufacture products locally in Australia, there is a risk that contract manufacturers based elsewhere may engage in labor rights violations, such as poor working conditions, low wages, excessive working hours, or forced labor. Lack of oversight of these facilities make it more challenging to ensure compliance with labor standards.
- **Supply Chain Transparency:** Limited visibility into the practices of contract manufacturers can make it difficult to assess and address labor risks effectively. Without transparency, it is harder to identify and remediate issues related to modern slavery, human trafficking, or other forms of exploitation.
- **Subcontractor Practices:** Contract manufacturers may subcontract certain production processes to other facilities or suppliers, introducing additional layers of complexity and potential new risks. Subcontractors may not adhere to the same labor standards or ethical principles as the primary manufacturers.
- **Transportation and Logistics:** The engagement of multiple vendors for transport, warehousing, and re-packing services increases the risk of labor abuses within these operations. Drivers, warehouse workers, and other personnel involved in the logistics chain may face exploitation, unsafe working conditions, or wage theft.

Managing risks

Galderma is committed to establishing a comprehensive and rigorous risk management process where emerging, strategic and operational risks are discussed and remediated where necessary. Galderma has risk forums at both the global and regional level whose role(s) is to manage and oversee such risks, as well as driving and providing oversight of both the company's enterprise risk management (ERM) process and global compliance program.

Galderma has in place a company-wide Risk Policy which assigns roles and responsibilities for risk management in an end-to-end process, ensuring integrated risk management and assurance. Policies and standard operating procedures are regularly reviewed and updated and training plans are developed on those risks which are considered high.

Galderma has mandated highly reputable rating agencies to perform audits on selected suppliers at regular intervals. As part of such audits, suppliers are required to submit their policies and compliance certificates, the scope being based on, among other things, the risks associated with the country/location, the industry within which a supplier operates and Galderma's own financial commitment to such supplier.

Measuring the effectiveness

As part of Galderma's continuing development of its Risk Management and Compliance programs, Galderma has in place and looks to continuously enhance appropriate tools to measure the effectiveness of such programs.

These include field and transaction monitoring of activities across Galderma, conducting country risk assessments, assessing reports submitted through Galderma's Integrity Reporting Hotline (and recorded outcomes), assessing matters raised through and within Global and Regional Risk and Compliance forums, overseeing global and regional training completion rates and auditing supplier compliance with the Supplier Code.

Training

Since its change in ownership late 2019², Galderma has significantly progressed in the establishment of necessary corporate structures including a robust compliance and ethics organization and program including a compliance training framework which ensures regular training on its key Codes and Policies is provided to all employees. Further global and local training has been rolled out throughout 2023, including targeted training on Galderma's Healthcare Compliance Policies as well as training given to all new employees on Galderma's Code on Interactions with Healthcare Professionals, Code of Ethics and Anti-Bribery and Anti-Corruption Policy.

Integrity Reporting

Galderma's Integrity Reporting Hotline provides employees as well as third parties with a channel to speak up and report incidents or violations (or suspected violations) of law or violations (or suspected violations) of Galderma's Code of Ethics or policies, or to share concerns if they believe that someone has done, or may be about to do something which constitutes unprofessional or unethical behavior. Reports to Galderma's Integrity Reporting Hotline can be made anonymously and are kept confidential to the extent permitted by local law. Galderma recognizes that the continued success of its business depends on the open communication of concerns, including those related to Modern Slavery, by directors, officers, employees and third parties without fear of retaliation.

Consultation

This statement was prepared in consultation with relevant global and regional subject matter experts within Galderma including procurement, supply chain, human resources, legal & compliance, ESG & sustainability and finance, with additional specific input from key personnel in Galderma Australia Pty Ltd.

The senior leadership team of Galderma Australia Pty Ltd was given an opportunity to consider and provide comments on this statement prior to publication. This statement was approved by the Galderma Australia Board of Directors on 24 June 2024.

Galderma Australia Pty Ltd



Mark Sargent

General Manager Australia
and New Zealand

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² Independent company creation following consortium acquisition in October 2019