



Modern Slavery Act Transparency Statement for the year ending 31 December 2021

This statement is made in response to Part II (sections 13 and 16) of the Australian Modern Slavery Act 2018. It sets out the steps taken to eradicate slavery and human trafficking within the organisation and our supply chain for the financial year ending 31 December 2021. Specifically, this statement pertains to Vertex Pharmaceuticals (Australia) Pty Ltd (ABN 34 160 157 157) (**Vertex Australia**).

Vertex respects and believes in the inherent rights and dignity of every person. Vertex supports the principles established under the United Nations Universal Declaration of Human Rights. We expect every employee and the suppliers with whom we work to respect human rights in all countries where we do business.

Our structure and operations

Vertex is a global biotechnology company that invests in scientific innovation to create transformative medicines for people with serious diseases. The company has multiple approved medicines that treat the underlying cause of cystic fibrosis (CF) — a rare, life-threatening genetic disease — and has several ongoing clinical and research programs in CF. Beyond CF, Vertex has a robust pipeline of investigational small molecule, cell and genetic therapies.

Founded in 1989 in Cambridge, Massachusetts, U.S., Vertex employs approximately 4,000 staff, including approximately 32 at Vertex Australia. Vertex's global headquarters is now located in Boston's Innovation District and its international headquarters is in London, England. Additionally, the company has research and development sites and commercial offices in North America, Europe, Australia and Latin America. Vertex is consistently recognized as one of the industry's top places to work, including 12 consecutive years on Science Magazine's Top Employers list and one of the 2021 Seramount (formerly Working Mother Media) 100 Best Companies.

Vertex Australia (located in Sydney, Australia) is a subsidiary of Vertex Pharmaceuticals Incorporated. Details of our corporate governance policies can be found [here](#). Vertex Australia does not own or control any other corporate entities.

We rely on a worldwide network of third-party manufacturers and our internal capabilities, including our own manufacturing facility in Boston, to manufacture product candidates for clinical trials as well as our medicines for commercial use.

Our supply chain

Vertex Australia's suppliers are primarily located in Australia (80%), Europe, North America and Asia. The main types of goods and services Vertex Australia procures are consultancy services, marketing agencies, distribution services, facilities / operations, and technology.

The source countries for these goods and services (based on supplier location) are:

- Consultancy: Australia, Europe, North America
- Marketing Agencies: Australia, Europe
- Distribution Services: Australia
- Patient Orgs: Australia
- Facilities & Operations: Australia, Europe
- Technology: Australia, North America



Most of our agreements with these suppliers are long term Master Service Agreements/contracts, and we have no significant business relationships in addition to suppliers, such as joint venture partners.

Risks of modern slavery in our operations and supply chains

There is generally a low risk of modern slavery in Vertex Australia's own operations. This is because the Vertex Australia workforce is largely comprised of office based and field-based employees, with the wider Vertex workforce working in countries with very low prevalence of modern slavery. This is also in part due to the highly regulated nature of the pharmaceutical industry and our employees being predominantly educated or skilled or undertaking work in controlled settings where there are established standard operating procedures (SOPs) and for third party suppliers, a contractual obligation to comply with our Supplier Code of Conduct (see below).

In relation to Vertex Australia's supply chains, potential risk areas arising from the goods and services the business procures include:

- **Technology:** the electronics industry is considered a high-risk industry for modern slavery and other harmful practices. Manufacturing of IT equipment is likely to occur in locations with minimal regulation and oversight of labour practices. There is a risk that products are manufactured from raw materials which are produced by workers who are subject to modern slavery. Additionally, there have been reports of forced labour in electronics factories in China and Malaysia, including factories supplying large multinational companies.
- **Facilities & Operations:** services such as cleaning, security and maintenance may give rise to a higher risk of modern slavery to the extent they involve foreign workers, temporary or unskilled labour, after-hours work, and/or use of short-term contracts and outsourcing.

Our Commitment and Policies

We are committed to operating our business in a responsible manner and expect all managers, employees, contractors and agents to be accountable for our culture of inclusion, transparency and integrity. Our [Code of Conduct](#) provides guidance on how to live these values, in areas such as human rights, protection of personal data, financial integrity, commitment to communities and environmental sustainability. Specifically, our Code of Conduct requires employees to:

- Comply with laws and practices that prohibit illegal child labour; forced, bonded or indentured labour; involuntary prison labour; human trafficking and unfair wages and benefits.
- Promote the health, safety and equitable and respectful treatment of employees, without discrimination or harassment.
- Respect fundamental human rights and the dignity of every person.

We expect employees to comply with our Code of Conduct and all associated policies, procedures, guidelines and trainings. If we become aware of violations of law or Vertex policy, we investigate the matter and, where appropriate, take disciplinary action and implement corrective measures to prevent future violations.

Vertex's Code of Conduct is a key component of its Global Compliance Program ("Program"). The Program embodies our shared responsibility to demonstrate the highest level of personal integrity and ethics—from the highest levels of management to the most junior employees. It is purposefully designed to go beyond mere compliance. In addition to the Code of Conduct, the Program includes



training and education, auditing and monitoring, risk assessments and other activities and initiatives. The Program also offers a Compliance Alert Line, which allows individuals to confidentially and anonymously raise concerns of misconduct and has strict anti-retaliation protections. Vertex's Board of Directors, including the Audit and Finance Committee, provide general oversight of the Program. The Chief Risk & Compliance Officer is responsible for designing and driving the Program with support and advice from the global Compliance Committees, which are made up of cross-functional, senior leaders from across Vertex. The Chief Risk & Compliance Officer provides regular updates to Vertex's Executive Committee and the Board of Directors about health care compliance and risk at Vertex. As a member of the Pharmaceutical Supply Chain Initiative (PSCI), we support the PSCI Principles and work with our peers to achieve a vision of better social, health, safety and environmental outcomes.

Our [Supplier Code of Conduct](#) outlines expectations that suppliers share our commitment to high ethical standards and behaviour and defines the expectations they should have of us. Suppliers interested in providing goods and services to Vertex must agree to the Supplier Code of Conduct prior to starting a commercial relationship with the company.

All suppliers are expected to comply with our Supplier Code of Conduct, and it is incorporated into all our sourcing contract templates. Our Supplier Code of Conduct states our expectations of suppliers to treat their employees with dignity and respect and to comply with all regulatory and legal requirements relating to the fair and equitable treatment of employees. Specifically, it states:

- Do not engage in any forms of forced slavery including bonded, indentured or involuntary prison labour. Employees should be free to leave their employer at their own discretion.
- Treat your people fairly, equally and with respect.
- Any discrimination in hiring, training, promotion, compensation, or other such area based on race, colour, age, sex, sexual orientation/identity, ethnic group, marital status, handicap, religion, membership of a political party, membership in a trade union, or other classification must be prohibited.
- Under no circumstances shall child labour be employed.
- Work hours must be in compliance with country regulations. Furthermore, payment to employees shall be in compliance with applicable wage laws including minimum hourly and overtime wages as well as mandated benefits.

We expect our supplier-partners to have management systems in place that demonstrate their commitment and accountability to these concepts, with mechanisms in place to identify and manage risks for each area addressed, and to maintain documentation to demonstrate conformance.

All suppliers must comply with Vertex's Compliance Policies relevant with respect to particular Services, including the Supplier Code of Conduct (all together, the "Compliance Policies"). Vertex has made its Supplier Code of Conduct available at <https://www.vrtx.com/compliance-program> on its Compliance Program page. For its other Compliance Policies, Vertex will provide suppliers with copies of or access to those Policies Vertex deems relevant to the Services. At Vertex's request, suppliers will provide Vertex with certifications, in a form reasonably acceptable to Vertex, as to the company's ongoing compliance with the Compliance Policies. In addition, the company will attend, and complete, compliance trainings related to the Compliance Policies upon Vertex's reasonable request. Trainings will be conducted online where practicable.



Actions taken to assess and address the risks of modern slavery in our operations and supply chain

We have developed systems and processes to track, monitor, and oversee our own and our third-party manufacturers' activities, including a quality assurance program intended to ensure that our third-party manufacturers comply with current Good Manufacturing Practices, or cGMP. We regularly evaluate the performance of our third-party manufacturers with the objective of confirming their continuing capabilities to meet our needs efficiently and economically.

Training

All Vertex employees complete annual Code of Conduct training as part of our commitment to the core values that guide us as a company – providing guidance as we go about our work each day, shaping our interactions with external groups, and outlining expectations in important areas. This yearly refresher helps reinforce our commitment to living our core values and helps us make choices that reflect the kind of company we want to be. It is our pledge to one another, to our company, and most importantly, to patients that we will adhere to the highest standards of ethics and accountability.

Accountability

Vertex has reporting mechanisms in place to collect and relay information regarding potential violations, including an anonymous [Compliance Alert Line](#) staffed by an independent organisation. We have procedures that strongly encourage employees and suppliers to report potential suspected compliance violations, company policies, and the laws of the countries in which Vertex operates. We do not tolerate retaliation against anyone who speaks up, in good faith, with concerns about a potential violation of the Code, company policy or the law.

Vertex investigates all reports of potential violations of our Codes of Conduct, company policies or the law. Violations may result in disciplinary action up to and including termination of employment or termination of contractual arrangements with Vertex. Some violations may also result in legal action, as appropriate.

How Vertex assesses the effectiveness of such actions

All employees are required to complete an annual Code of Conduct training to reaffirm our mutual commitment. We recognize that an effective compliance program must evolve and respond to the changing circumstances of the company and its environment. To this end, we are committed to continuous improvement based on regular reviews and assessments of the regulatory and business landscape.

Vertex tracks the distribution of its Supplier Code of Conduct for the purposes of measuring the level of awareness among suppliers of Vertex's expectations over time. We have distributed our Supplier Code of Conduct to nearly 2,000 suppliers globally to date, including 30 in Australia.

Through Vertex's Compliance Alert Line potential instances of modern slavery can be reported within Vertex for investigation. The Compliance Alert Line, which is monitored and assessed to ensure effectiveness, has not received any reports of modern slavery concerns.

Further steps

Vertex will continually review and improve its practices to ensure the identification and elimination of modern slavery and human trafficking from our business.



Approval

This statement has been approved by the Board of Directors for Vertex Pharmaceuticals (Australia) Pty Ltd on 28 June 2022.

A handwritten signature in blue ink that reads "Ashley Grist".

Ashley Grist

Director, Vertex Pharmaceuticals (Australia) Pty Ltd