



2024
MODERN
SLAVERY
STATEMENT

AFT *pharmaceuticals*
Working to improve your health

A MESSAGE FROM OUR LEADERSHIP

AFT Pharmaceuticals Limited ('AFT', 'the Company')¹ is a New Zealand pharmaceuticals company (NZ Company Number 873005) listed on the New Zealand and Australian stock exchanges.

It develops, markets, and distributes a broad portfolio of pharmaceutical products across a wide range of therapeutic categories in Australia and New Zealand and a narrower portfolio around the world.

The Company is built on integrity and a clear purpose of working to improve the health of the people and communities it serves. It is a mission that has at its heart a commitment to sustainability, the maintenance of corporate governance standards that are aligned with best practice, and high professional, legal, and ethical standards, including the protection of human rights.

AFT regards Modern Slavery in all its forms, including slavery, servitude, forced or compulsory labour and human trafficking (together 'Modern Slavery') as unacceptable, intolerable and in direct conflict with our commitments and the Company's values.

This Modern Slavery Statement has been prepared in accordance with the Australian Modern Slavery Act 2018 (Ch) (Australian Act) and the UK Modern Slavery Act 2015 (UK Act) and has been made on behalf of the Company and all of the entities it controls, including the reporting entities which for the purposes of the Australian and UK Acts make this statement

- AFT Pharmaceuticals (AU) Pty Limited (Australia) (ARBN: 609 017 969)
- AFT Pharma UK Limited (UK Company Number: 14521612)

The statement outlines the steps that we have taken to identify, manage and mitigate the specific risks of Modern Slavery that may be in our operations and supply chains. It also sets out how we measure the effectiveness of those actions.

AFT expects to build on the programme set out in this statement in line with its commitment to continue to evolve its governance framework, advance its sustainability agenda and enhance the health and wellbeing of the people and communities it serves.

This Modern Slavery Statement was approved by the Board of AFT Pharmaceuticals Limited on 21 May 2024.



David Flacks

Chair



Dr Hartley Atkinson

Managing Director²

¹ A reference to 'AFT' and 'the Company' in this Modern Slavery Statement includes the New Zealand company and all the entities it controls, even though some of the entities are not reporting entities for the purposes of the Australian Modern Slavery Act 2018 or the UK Modern Slavery Act 2015. For a list of those entities please see the 'Statutory Information' section of AFT's 2024 annual report, which is available in the Investor Centre on the Company's website at: www.aftpharm.com.

² Hartley Atkinson is Managing Director of the New Zealand company and a Director of AFT Pharmaceuticals (AU) Pty Limited (Australia) and AFT Pharma UK Limited

AFT'S BUSINESS AND SUPPLY CHAIN RISKS

AFT's business model is to develop and in-license products for sale in Australia, New Zealand, and the United Kingdom, and to out-license our own products to the rest of the world. Our products are now licensed in more than 125 countries.

Our Australasian product portfolio comprises more than 150 proprietary and in-licensed products, and includes patented, branded, and generic drugs.

Our international business' product portfolio covers a subset of the Australasian portfolio. In international markets sales are dominated by our Maxigesic® family of patented pain relief medicines.

We have five hubs around the world: New Zealand, Australia, Hong Kong, Ireland, and the United Kingdom and as at the date of this statement we employ around 115 people, with around 90% employed in Australasia.

Our supply chains are extensive and sometimes complex with a high proportion of our products are sourced from large pharmaceutical companies and manufacturers based in a variety of regions including Europe, the United States, India, and Asia.

We also have a network of distribution partners and licensees around the world, and we are supported with suppliers of business services including, finance, accounting, information technology, and logistics providers and maintenance and cleaning services.

I. AFT'S Supply Chain

The risk of Modern Slavery in AFT's supply chain is considered to be lower than in some other industries, because of the highly regulated nature of the pharmaceutical industry.

Nevertheless, AFT recognises the risk of Modern Slavery could potentially exist through our broad network of global suppliers and their supply chain, which AFT does not control or directly influence.

We also recognise the management of these risks presents challenges to the Company, particularly where the outsourcing of manufacturing is to overseas suppliers based in higher-risk jurisdictions.

II. AFT'S Workforce

AFT considers the risks of Modern Slavery within our own workforce is non-existent. This reflects the following characteristics:

- the skilled nature of the work performed;
- the autonomy and self-motivation required for the majority of roles;
- the strength of our governance framework,

including our commitments to ethical and lawful conduct; and

- our reporting and monitoring requirements and processes.

AFT is nevertheless aware we must continue to educate and build awareness amongst our workforce about Modern Slavery and our intolerance of all forms of Modern Slavery and unethical practices.

RISK MANAGEMENT AND MITIGATION

AFT is dedicated to playing our part to identify and address any potential Modern Slavery across our organisation and within our supply chains. We have taken the following steps to assess and address those risks.

I. Policies and Governance³

AFT's corporate governance framework has been structured according to the principles of the Third and Fourth Editions of the 'Australian Securities Exchange (ASX) Corporate Governance Council Principles' and the recommendations of the 'NZX Corporate Governance Code'.

Fundamental to this framework is a system of monitoring and control across AFT, the companies that it controls and its supply chain. Specifically, the Board Charter requires the Board to review and ratify group systems of internal compliance and control to determine the effectiveness of those systems.

The Board also operates an Audit and Risk Committee (ARC) to assist it with its responsibilities and commitments. The ARC, among other things, is charged with overseeing management's implementation of the Company's risk management framework and that management has appropriate processes for identifying, responding to, and regularly reporting on risks (including Modern Slavery risks) and that those processes are operating effectively.

In addition to this broad system of oversight AFT has introduced the following codes, policies, and systems that both directly and indirectly require and assist the Company and those it controls to address and manage the risks of Modern Slavery across AFT's operations and supply chains.

Our corporate governance framework, including our structures, practices, processes and policies, including our Modern Slavery and other key policies mentioned in this statement, and our annual governance statement are available in the Investor Centre on the Company's website at: investors.aftpharm.com/Investors

³ AFT's corporate governance framework, including its policies and procedures, covers all of the entities that it owns or controls.

II. Sustainability Framework

Accounting for and managing the environmental social and governance (ESG) considerations that are material to our business, including the steps we take to limit Modern Slavery in our business, is managed within a formal sustainability framework.

The framework has identified 'best practice corporate governance' and 'the operation of an ethical and sustainable supply chain' as two of the six priorities on which we focus to ensure we manage the risks to our business and create shared value with all our stakeholders. Our full sustainability framework is set out in appendix 1 (page 5 and 6) of this statement.

Our framework includes objective and robust measures of performance of the ESG areas that are material to our business. Notably, it commits AFT to transparently reporting these measures, which include reporting on the extent to which we comply with our legal obligations, our governance framework, and our policies, including our Modern Slavery policy and our Supplier Code of Conduct.

III. Code of Culture & Ethics

AFT has a Code of Culture & Ethics which is a framework of standards by which our directors, employees, consultants, contractors, interns and secondees of AFT Pharmaceuticals and our related companies (AFT People) are expected to conduct their professional lives.

It outlines AFT's values and our expectations of AFT People, particularly in relation to acting honestly, with integrity and in accordance with law. The Code of Culture & Ethics also provides that material breaches/matters are to be reported to the Board and how, including the resort, if necessary, to AFT's Whistleblowing Policy (see this page).

IV. Modern Slavery Policy

AFT's Board developed and introduced a Modern Slavery policy in 2022. The purpose of the policy is to ensure AFT, our people and all the entities that we control:

- comply with all applicable laws and regulations;
- address potential Modern Slavery risks in our supply chain and business operations; and
- set standards for employees and those who work on AFT's behalf with respect to the identification of any potential Modern Slavery risks.

The policy requires AFT and its business units to adopt policies and procedures to ensure that we are addressing and reporting on any Modern Slavery and ethical sourcing risks in our operations and supply chain.

It stipulates that compliance with the Modern Slavery Policy – and compliance with applicable Modern Slavery laws and regulations – be embedded within supplier contracts. It requires that AFT has the capacity to cease dealing with a counterparty if it is found in breach of either.

The policy also requires AFT and our business units to engage with suppliers to ensure compliance with the policy and transparently report on the steps we take to address Modern Slavery risks in our operations and supply chains.

V. Supplier Code of Conduct

AFT introduced a Supplier Code of Conduct in 2023. The code applies to all suppliers of both products and services to AFT, including their parent, subsidiaries, affiliates, and subcontractors. The code requires suppliers, among other things, to:

- prevent Modern Slavery in any of their businesses or supply chains and attest to compliance with AFT's Modern Slavery Policy
- ensure all workers are treated in a manner consistent with international human rights standards, including the UN Universal Declaration of Human Rights, the UN Convention on the Rights of the Child, and the International Labour Organisation Core Conventions;
- establish and follow effective policies and procedures to promote workplace health and safety.
- comply with applicable national, and international laws; and
- observe and model ethical business practices.

Under the terms of the Code of Conduct suppliers must attest to compliance with it, notify AFT of non-compliance and agree to inspections if requested by the Company.

VI. Supplier Due Diligence and Contracts

Ahead of engaging a new supplier we undertake due diligence to ensure we select and collaborate with those that align with our values and the way we do business. Suppliers confirm compliance with our Supplier Code of Conduct and Modern Slavery Policy.

VII. Whistleblowing Policy

AFT's Whistleblowing Policy states that AFT is committed to the highest standards of conduct and ethical behaviour in all our business activities. The policy provides a mechanism for raising and appropriately addressing issues if they arise. It also provides procedures to protect the rights of people who raise concerns about any wrongdoings in or by AFT.

VIII. Diversity and Inclusion Policy

AFT's Diversity and Inclusion policy outlines the Company's commitment to creating a diverse and inclusive working environment at all levels, recognising that a diverse workforce builds competitive advantage, enhances business thinking and helps the Company to connect innovatively with consumers and markets around the world.

In addition to measures to drive diversity and monitor and report on progress on our diversity goals, the policy requires that all AFT people receive equal and fair treatment in all aspects of the Company's employment practices and processes.

IX. Employment Policies

AFT has a comprehensive suite of employment-related policies which are relevant to addressing labour standards and expectations in our operations. These include an anti-Bullying, Discrimination and Harassment Policy, which aims to support a working environment which is free from unlawful discrimination, harassment, sexual harassment, bullying, vilification, and victimisation and where all workplace participants are treated with dignity, courtesy, and respect.

X. Anti-Bribery and Anti-Corruption Policy

AFT's Anti-Bribery and Anti-Corruption Policy prohibits bribery and corruption, in any form, whether direct or indirect thereby expressly prohibiting conduct that could be used to facilitate Modern Slavery and other forms of exploitation. The policy applies to AFT People and those who work on our behalf and commits the Company to auditing and monitoring of the policy and sets out the consequences of non-compliance.

XI. Inspection of Key Manufacturing Sites

AFT and most of our suppliers operate within the heavily regulated pharmaceutical sector and must comply with Good Manufacturing Practice (GMP) requirements to ensure our products are consistently produced, controlled, and shipped according to quality standards.

These standards, in themselves, provide considerable protection against Modern Slavery practices among our suppliers. It is normal practice for national regulators to undertake inspection of our suppliers and third-party manufacturers to ensure GMP compliance, while AFT conducts our own review to ensure compliance with relevant GMP related procedures and our Modern Slavery policies.

MEASURING OUR EFFECTIVENESS

I. Embedding Our Modern Slavery Policy in the Supply Chain

Since the introduction of the Modern Slavery policy in the 2022 financial year, AFT has moved to implement the policy across our business and our supply chain. Suppliers have been sent a copy of the Modern Slavery Policy and our Supplier Code of Conduct.

Our key suppliers have attested to compliance with our Code of Conduct including the requirements that they prevent Modern Slavery in their supply chains. We work to understand any reasons that may impact on attestation and any remedial action required to comply with our Code of Conduct

In the 2024 financial year AFT did not receive any notification of violation of its Modern Slavery commitments, nor was it notified of any matter of concern.

II. Supplier Inspections

AFT periodically inspects key manufacturing and distribution suppliers and none revealed any instances of concern.

III. Internal Monitoring and Training

In the 2024 financial year the Board received no reports of Modern Slavery in our business. AFT also conducted training sessions relating to the core policies and procedures across the organisation. All new recruits into the company were trained on these policies.

NEXT STEPS

AFT understands that embedding awareness of Modern Slavery across our business and with our suppliers is an ongoing process.

We will continue to deepen our understanding of the potential risks of Modern Slavery in our operations and supply chains and we are continuing to engage with our suppliers in relation to the measures that have been taken to date.

Meanwhile, as we continue to evolve both the scope of our Modern Slavery framework and our broader approach to corporate governance and reporting, we expect further improvements in our processes and procedures.

AFT'S SUSTAINABILITY FRAMEWORK

Our Mission: Working to Improve Your Health

AFT's sustainability framework is aligned with its commitment to operating sustainably and enhancing the health and wellbeing of the people and communities in the markets we serve.






It sets out our material ESG issues and identifies what we see are the six priorities for the business. The priority areas demonstrate where we believe we can create the most value for our business, investors, and other stakeholders.

Underneath each of the six priorities, we have identified areas of focus, which set out what we will do to deliver on our priorities.

We have detailed the metrics we use to measure our performance.

In some of these areas, we have established targets. We expect to evolve and refine these measures and targets in line with the evolution of our ESG framework.

The development of the framework and our performance against it is led by the CFO and overseen by the Board. As in previous years, we aim to fit our business and community initiatives onto the United Nations' Sustainable Development Goals.

	SOCIAL	GOVERNANCE	GOVERNANCE
PRIORITIES	<p>1. Working to improve health and well being</p>  	<p>2. Best practice corporate governance</p> 	<p>3. Ethical and sustainable value chains</p>  
AREAS OF FOCUS	<p>Better health and wellbeing for patients and communities Performance measures:</p> <ul style="list-style-type: none"> Product reach and breadth of therapeutic applications Product portfolio expansion Contributions to communities <p>Best quality and safety systems for manufacturing and distributing medicines Performance measures:</p> <ul style="list-style-type: none"> Compliance with best practice standards in medicine manufacture Our pharmacovigilance practices and relationships with our regulators Monitoring for counterfeit medicines Product recalls <p>Innovation in response to need Performance measures:</p> <ul style="list-style-type: none"> Investment in research and development Product development portfolio Compliance with clinical trial standards 	<p>Complying with all relevant legal and listing requirements Performance measures:</p> <ul style="list-style-type: none"> Regulatory and Governance Code compliance Training and education <p>ESG reporting and transparency Performance measures:</p> <ul style="list-style-type: none"> Policy adherence by the Board and Management Governance of climate risk 	<p>ESG performance in our value chain Performance measures:</p> <ul style="list-style-type: none"> Compliance with our Supplier Code of Conduct and our Modern Slavery commitments Supplier visits <p>Ethical marketing and sales practices Performance measures:</p> <ul style="list-style-type: none"> Compliance with our Code of Culture and Ethics and our Anti-bribery and Corruption Policy Compliance with regulatory advertising codes.






UN Sustainable Development Goals

The UN sustainable development goals are a collection of 17 interlinked global goals designed to be a blueprint to achieve a better and more sustainable future for all. The United Nations General Assembly established these goals in 2015. At AFT we believe we can contribute to six of the goals.

More information on the goals can be found here: <https://sdgs.un.org/goals>



	SOCIAL	ENVIRONMENT	ENVIRONMENT
PRIORITIES	<p>4. Supporting and developing our people</p> 	<p>5. Understanding our climate risks and taking action</p> 	<p>6. Waste minimisation</p> 
AREAS OF FOCUS	<p>Developing our people Performance measures:</p> <ul style="list-style-type: none"> • Training • Staff turnover • Wellbeing support <p>Diversity and inclusion Performance measures:</p> <ul style="list-style-type: none"> • Compliance with our Code of Culture and Ethics • Compliance with our Employment Policy suite • Remunerating fairly and transparently • Monitoring gender, culture identity, nationality to ensure diversity. • Living wage, parental leave, and pay parity commitments <p>Health and safety Performance measures:</p> <ul style="list-style-type: none"> • Health and Safety Policy compliance • Supplier Code of Conduct compliance • Lost time to injury reporting 	<p>Undertaking a climate risk assessment Performance measures:</p> <ul style="list-style-type: none"> • Reporting against the Aotearoa New Zealand Climate Standards <p>Working with suppliers to take action Performance measures:</p> <ul style="list-style-type: none"> • Reporting against the Aotearoa New Zealand Climate Standards 	<p>Improving our consumer packaging Performance measures:</p> <ul style="list-style-type: none"> • Continuous improvements in reducing packaging weight • Introducing recycled material into our packaging • Making more of our packaging recoverable <p>Reducing waste in the supply chain Performance measures:</p> <ul style="list-style-type: none"> • Reducing packaging consumption • Reducing material towards landfill



Good Health and Wellbeing

Ensure healthy lives and promote well-being for all at all ages.



Gender Equality

Achieve gender equality and empower all women and girls.



Decent Work and Economic Growth

Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.



Reduced Inequalities

Reduce inequality within and among countries.



Responsible Production and Consumption

Ensure sustainable consumption and production patterns.



Climate Action

Take urgent action to combat climate change and its impacts.

AFT Pharmaceuticals Limited

Level 1, 129 Hurstmere Road
Takapuna
Auckland 0622
New Zealand
+64 9 488 0232

www.aftpharm.com

A|F|T *pharmaceuticals*
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