 Bristol Myers Squibb™

Joint Modern Slavery Statement 2020 Australia

Bristol–Myers Squibb Australia Pty Ltd
Celgene Pty Limited

Purpose of statement

This is our first Australian Modern Slavery Statement, and we welcome the opportunity to reflect on our local and global efforts throughout 2020, to eradicate modern slavery and human trafficking. Our work and dedication to this cause continues, as we are committed to taking action to help end these abhorrent practises.


This Statement is a response to the introduction of the Modern Slavery Act 2018 (Cth) (the Act) in Australia, which requires a relevant entity to draft for each annual reporting period a statement regarding its identification, assessment and treatment of risks of modern slavery within its structure, operations and supply chain, and how the entity assesses the effectiveness of its actions to address such risks.

The Act defines modern slavery across eight types of serious exploitation: trafficking in persons; slavery; servitude; forced marriage; forced labour; debt bondage; deceptive recruiting for labour or services; and the worst forms of child labour, including where children are

subjected to slavery or similar practices, or forced to engage in hazardous work.

This Modern Slavery Statement is made jointly on behalf of Bristol–Myers Squibb Australia Pty Ltd (ABN 33 004 333 322) (Bristol Myers Squibb Australia) and Celgene Pty Ltd (ABN 42 118 998 771) (Celgene Australia) (collectively “both Companies”), for the reporting period 1 January 2020 to 31 December 2020. Both Companies now form part of the same corporate group, with the USA–based Bristol–Myers Squibb Company (BMS) as the ultimate parent company following BMS acquiring Celgene Corporation in November 2019. Prior to this event, both Companies operated independent business policies and processes including those related to modern slavery. Post–acquisition integration of both Companies is well underway.

Both Companies are reporting entities for the purposes of the Act as they carry on business in Australia and each had a consolidated revenue of over \$A100 million during the 2020 reporting period.



Joint commitment to stop modern slavery

Both Companies share the same commitment to modern slavery as parent BMS, namely:

Consistent with our shared values, we are strong supporters of human rights globally, in our workplaces, at our facilities, in our external supply chains and in our communities. We do not condone slavery or human trafficking of any kind and are committed to reducing the risk of slavery and human trafficking in our business and supply chain.

Both Companies follow the approach of BMS in combatting modern slavery, as it leads the company group by example, having:

- joined the United Nations Global Compact in 2010 thereby supporting its ten principles on human rights, labor, environment and anti-corruption;
- initiated in the USA in 2019 a collaboration with Truckers Against Trafficking (TAT) and becoming a member of the **TAT shipping partners program**, which engages major purchasers of freight to encourage their carriers to discover and disrupt human trafficking; and
- been a founding member in the **Pharmaceutical Supply Chain Initiative** (PSCI), which has established the Principles for Responsible Supply Chain Management.

1. Structure and operations

1.1 Bristol Myers Squibb Australia

Bristol Myers Squibb Australia is a wholly owned subsidiary of BMS, a leading global biopharmaceutical company focused on discovering, developing and delivering transformational medicines for patients facing serious diseases in therapeutic areas where BMS believes it has an opportunity to make a meaningful difference, including in oncology, immunology, cardiovascular and fibrosis.

As at December 31, 2020, BMS globally had approximately 25,660 employees in 47 countries, with about 300 of these employees based at Bristol Myers Squibb Australia. Just over half of the employees were based at the company's Australian headquarters in Melbourne. The remainder operating remotely throughout Australian capital cities and regional hubs.

BMS products are globally manufactured in both BMS and external manufacturing sites. All applicable procurement activities are managed by BMS Global Procurement and are required to comply with global company policies and procedures.

Bristol Myers Squibb Australia is not involved in the manufacture of product. Rather, Australian product

is imported as fully finished product into a third-party logistics warehouse, DHL Supply Chain, which is part of the Deutsche Post DHL Group. DHL receives, stores, picks, packs and ships orders to Australian customers. DHL has publicly stated that it is similarly committed to eliminating modern slavery.¹

The Australian business also includes a clinical trials division that requires pharmaceutical product supply and patient management for phase 1, 2 & 3 trials, some of which involves the use of professional contracted staff who are remunerated appropriately. Other parts of the Australian business include Sales and Marketing, who promote BMS brands, a complementary Medical Team that educates and supports the business, Regulatory and Quality, who manage the registration, licencing and GxP ("good practice") of our company and products, and supporting services in finance, legal and compliance, strategy, HR, IT, etc.

As explored further below, our local and global suppliers are checked to ensure that they meet our high standards and Bristol Myers Squibb Australia is committed to longstanding relationships wherever possible.

¹ See *DHL Modern Slavery Statement*, 2019, UK, accessed online 18/03/2021.

1.2 Celgene Australia

Celgene Australia became part of the BMS group of companies following BMS' 2019 acquisition of Celgene Corporation, the parent company of Celgene Australia. Celgene Corporation was a global pharmaceutical company engaged primarily in the discovery, development and commercialisation of therapies for the treatment of cancer and inflammatory disease. As at December 31, 2020, Celgene had approximately 7110 employees.

Since the acquisition, BMS has been busy working on the global integration of the companies. Whilst this has largely been achieved by year end 2020 with Celgene increasingly following BMS procedures and policies, given the magnitude of the acquisition, some integration work has continued into 2021.

Celgene Australia's head office is in Southbank, Melbourne. In Australia, there were approximately 28 employees at 31 December, 2020. Most of these employees being associated with the sales and marketing activities of Celgene finished products

or the support of these activities (IT, finance, risk management, customer care and business operations).

The company has one subsidiary, Abraxis Bio Science Pty Ltd, which is the license holder for ABRAXANE® (nanoparticle albumin-bound paclitaxel) used for the treatment of patients with metastatic breast cancer, non-small cell lung cancer and metastatic pancreatic cancer. Abraxis out-licenses Abraxane under exclusive license in Australia. Finished product is manufactured in a Celgene facility in the United States and is imported into Australia through a third party.

Celgene imports only fully finished pharmaceutical products into Australia and distributes them in Australia and into New Zealand. Celgene has had a longstanding relationship with Healthcare Logistics (HCL), a member of the EBOS Group Ltd, and uses their services for warehousing and distribution, including into New Zealand. HCL partners with Toll in Australia for transportation services.

2. Overview of supply chains

As described above, Bristol Myers Squibb Australia partners with DHL for receiving, warehousing and distributing BMS fully finished, prescription only, pharmaceutical products. Bristol Myers Squibb Australia sources pharmaceutical products through BMS. Information on BMS' worldwide facilities is available on the BMS website [here](#). The management of the supply chain for BMS products is managed by BMS and is subject to extensive supplier screening and conduct requirements outlined below.

Celgene Australia's supply chain of pharmaceutical products is sourced from Switzerland, UK, and the USA. The management of the supply chain for Celgene products has now been integrated into the new combined company structure and is now managed by BMS. As provided for below, Celgene has historically undertaken extensive supplier evaluation and established conduct requirements.

The other goods and services purchased by Celgene Australia and Bristol Myers Squibb Australia largely relate to those required for head office business functions and the corporate teams, which are managed by the local procurement team. These include local contracts for cleaning, maintenance, consultancy, recruitment, event/travel management, IT, advertising and other specialist consultancies.



3. Risks of modern slavery

Overall, the risk of modern slavery is considered low for Bristol Myers Squibb Australia, Celgene Australia and the broader BMS group. This is partly due to the risk reduction activities undertaken within the BMS group as discussed in section 4, but also more generally given the reasons below.

More particularly locally, the risk of modern slavery is considered low for Bristol Myers Squibb Australia and Celgene Australia given the local nature of suppliers, the subject matter of the goods and services being supplied, and the management practices of our suppliers. For example, Bristol Myers Squibb Australia's main supplier, DHL, globally requires all its divisions to adhere

to a Code of Conduct that requires responsible, ethical and legally compliant behaviour, and expressly supports the elimination of all forms of forced or compulsory labour and the effective abolition of child labour.²

Further back into the supply chain for the BMS and Celgene products, the modern slavery risk is still considered low given the complex nature of the pharmaceutical industry, the types of products³ and services supplied, the source countries⁴ being considered "not at risk" countries, and the corporate social responsibility practices of the organisations involved.

² *DHL Code of Conduct*, accessed online 18/02/2021.

³ For example, no BMS or Celgene product is included in the at risk product list categories specified in the *Global Slavery Index 2018* (the most recent version of the Index at March 2021).

⁴ As specified in the *Global Slavery Index* *ibid*.

4. Reducing modern slavery risks

Whilst the risks of modern slavery both locally and globally for the BMS group may be viewed as low, the potential risk is treated very seriously at both a local and global level. For example, steps taken by Bristol Myers Squibb Australia to address this risk include:



Incorporating modern slavery clauses into relevant template contracts.



Requiring staff to undertake regular training on BMS' global **Principles of Integrity: Standards of Business Conduct and Ethics** (the Principles). The Principles embody BMS' high standards of ethical behaviour and form the basis of our interactions with employees, patients, customers, shareholders and the global community. There is also specific content on recognising possible signs of slavery and trafficking and mitigating risks.



Requiring that relevant vendors certify compliance with our global **Standards of Business Conduct and Ethics for Third Parties** ("3P Standards"), which requires they act in compliance with laws, in an ethical manner, in accordance with human rights (including no forced labour, human trafficking or child labour), and in an environmentally safe manner.



Notifying vendors of our global **Position on Human Rights** which sets forth our commitment to support the UN principles on human rights, labour, environment and anti-corruption in all business activities, and encouraging them to also support these principles as well.



Undergoing and obtaining Australian Border Force **Trusted Trader** accreditation, which requires a business to have compliant trade practices and a secure supply chain. DHL Express and DHL Global Forwarding, as well as Toll Global Forwarding, also have such accreditation.⁵

⁵ As per **ABF register** as at 8/10/2020, available online.



Celgene Australia and the broader Celgene group of companies have taken various steps to reduce any modern slavery risk, including the following:



Various reviews of relevant vendors/suppliers have been undertaken, which have included the use of questionnaires and screening against compliance databases.



Written policies, procedures and guidelines, including the Celgene Corporation Code of Business Conduct and Ethics, which is very similar to the BMS **Principles** that now apply.



Written agreements with third-party suppliers that require mutual compliance with applicable laws and regulations.



Celgene's compliance and ethics hotline for reporting any compliance or ethics concerns without fear of retaliation, which has now been replaced by the BMS Integrity Line.

All these risk-reducing actions are consistent with, and reinforced by, BMS' global approach detailed in its **Anti-Slavery and Human Trafficking Statement** (2019). In summary, these include:



Confirming and demonstrating BMS' commitment to stop modern slavery via an active membership in the **PSCI** and the **TAT shipping program**, and continued commitment to the UN Global Compact 2010.⁶



Articulating BMS' **Position on Human Rights** and reinforcing our commitment to support the UN principles on human rights, labour, environment and anti-corruption in all our business activities and our expectations that our suppliers will similarly commit.



Requiring that relevant third-party suppliers doing business with BMS comply with the **3P Standards** (see details above). These are available in 12 languages to support the global supplier base. BMS also offers a confidential Integrity Line for reporting concerns regarding the 3P Standards and/or the Principles. If any modern slavery allegations are raised through the Integrity Line or otherwise, they will be treated seriously, investigated promptly and dealt with in a responsible manner.



Implementing an ongoing risk assessment system through BMS' Procurement Risk Assessment and Mitigation (PRAM) program, collecting information on not only our suppliers' ability to provide goods or services but also on their environment, health and safety (EHS), labour and ethics practices. If a supplier presents an ethics or labour risk, further due diligence will be undertaken. Potential new suppliers in a higher risk geography and industry are subject to increased scrutiny.



Auditing suppliers on a global basis in areas such as quality, EHS and finance. Audits for labour and integrity are conducted as required on third-party manufacturers in higher risk countries (according to PSCI). In some instances, third-party auditors have been engaged to evaluate compliance with human rights and labour standards. BMS addresses critical instances of non-conformance by suppliers to the **3P Standards** where human rights and labour deviations are identified, and develops corrective and preventative action plans with suppliers to help ensure that deviations are corrected. Suppliers that fail to make progress toward corrective and preventative action plans within an agreed time frame are subject to review and sanctions.



Training staff worldwide on the **Principles** and training all key executives and managers who have responsibility for supply chain procurement on the **3P Standards**.

⁶For information on BMS' recent developments in respect to the UN Global Compact [click here](#)

5. Assessing the effectiveness of our actions

In order to assess the effectiveness of Bristol Myers Squibb Australia and Celgene Australia's actions:

- an Australian senior management group from various key areas dedicated to working on modern slavery meets quarterly to review developments in this area, action taken to address modern slavery and the associated reporting requirements,
- due consideration is given to relevant concerns raised via the Integrity Line or by any other means, including tracking to completion agreed actions to address any concerns, and
- media monitoring of modern slavery requirements to maintain up-to-date knowledge of industry-related initiatives, policies and occurrences of breaches, and to inform the assessment of our actions, as well as the development of future initiatives and means of assessment.

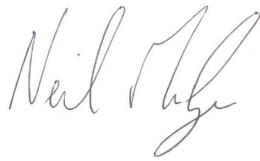
These measures are reinforced at a global level by the use of supplier vetting, audits and various assessments measures, see BMS **Anti-Slavery and Human Trafficking Statement** (2019).

6. Looking forward

While our Modern Slavery Statement focusses on 2020, our genuine commitment to stamp-out modern slavery remains and we will continue to take action to help end such indefensible practises.

7. Approval of Joint Statement

This joint Modern Slavery Statement has been approved by the board of Bristol–Myers Squibb Australia Pty Ltd and Celgene Pty Ltd and is signed by a Director of each entity below.



Neil MacGregor
Director of Bristol–Myers Squibb Australia Pty Ltd

Date: **22 April 2021**
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Budimir Glogovac
Director of Celgene Pty Ltd

Date: **22 April 2021**
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