



2022
MODERN
SLAVERY
STATEMENT

AFT *pharmaceuticals*
Working to improve your health



Introduction

AFT Pharmaceuticals Limited ('AFT', 'the Company') (NZ Company Number 873005/ ARBN: 609 017 969) is a pharmaceutical company listed on the Australian and New Zealand 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.

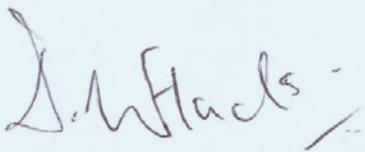
The Company is built on integrity and a clear purpose of working to improve the health of the people and communities it serves. It is a mission that has at its heart a commitment to sustainability, the maintenance of corporate governance standards that are aligned with best practice, and high professional, 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 these commitments and the Company's values.

This Modern Slavery 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 has been prepared in accordance with the Australian Modern Slavery Act 2018 (Ch) for the reporting period 1 April 2021 to 31 March 2022 and it applies to the Company and all the entities that it controls.¹

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 23 May 2022.



David Flacks
Chair



Dr Hartley Atkinson
Managing Director

¹ For a list of those entities please see the 'Statutory Information' section of AFT's 2022 annual report, which is available in the Investor Centre on the Company's website at: www.aftpharm.com. A reference to 'AFT' and 'the Company' in this Modern Slavery Statement includes all those entities, even though some of the entities are not reporting entities for the purposes of the Australian Modern Slavery Act 2018.

AFT's Business and Supply Chain Risks

AFT's business model is to develop and in-license products for sale by our own dedicated sales teams in our home markets of Australia and New Zealand, and to out-license our products to local licensees and distributors in more than 125 countries around the world.

Our home market product portfolio comprises more than 130 proprietary and in-licensed products, and includes patented, branded, and generic drugs. We have four offices around the world, Auckland, Sydney, Hong Kong and Ireland, and as at the date of this statement we employ around 90 people.

Our supply chains are extensive and sometimes complex, with a high proportion of products sourced from large pharmaceutical companies and manufacturers based in regions including Europe, the United States, India, and Asia. We also source from businesses located in Australia and New Zealand. A number of third-party suppliers also support our business with services, ranging from information technology companies to cleaners and freight carriers.

Workforce

AFT considers the risk of Modern Slavery within its own workforce is non-existent, given the work performed, the strength of our governance framework, including its commitments to ethical and lawful conduct and its reporting and monitoring requirements. AFT is nevertheless aware that it must continue to educate and build awareness amongst its workforce about Modern Slavery and its intolerance of all forms of Modern Slavery and unethical practices.

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 its broad network of global suppliers and their supply chain, who AFT does not control or directly influence. It also recognises the management of this risk presents challenges to the Company, particularly where the outsourcing of manufacturing is to overseas suppliers based in higher-risk jurisdictions.

Risk Management and Mitigation

AFT is dedicated to playing its part in identifying and addressing any potential Modern Slavery across its organisation and within its supply chains. It has taken the following steps to assess and address those risks.

Policies and Governance

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.

The AFT Board considers that AFT's corporate governance structures, practices and processes comply with best practice and directly and indirectly address and manage potential Modern Slavery risks in the ways detailed below.

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

Modern Slavery Policy

In the 2022 financial year AFT's Board developed and introduced a Modern Slavery policy. The purpose of the policy is to ensure AFT and all the entities that it controls:

- comply with all applicable laws and regulations;
- address potential Modern Slavery risks in its supply chain and business operations; and
- set minimum 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 is addressing and reporting on any Modern Slavery and ethical sourcing risks in its 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 is found in breach of either.

The policy also requires AFT and its business units to monitor suppliers to ensure compliance with the policy and transparently report on the steps it takes to address Modern Slavery risks in its operations and supply chains.

Code of Culture & Ethics

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

It outlines AFT's values and its 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 below).

Whistleblowing Policy

AFT's Whistleblowing Policy states that AFT is committed to the highest standards of conduct and ethical behaviour in all of 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.

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 its diversity goals, the policy requires all AFT to ensure its people receive equal and fair treatment in all aspects of the Company's employment practices and processes.

Employment Policies

AFT has a comprehensive suite of employment related policies which are relevant to addressing labour standards and expectations in its operations. During FY2022 it released a 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.

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 its behalf and commits the company to auditing and monitoring of the policy and sets out the consequences of non-compliance.

Inspection of Key Manufacturing Sites

AFT and most of its 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 practise for national regulators undertake inspection of our suppliers and third-party manufacturers to ensure GMP compliance, while AFT conducts its own audits to ensure compliance with relevant laws and our Modern Slavery policies.

The disruption caused by COVID-19 has meant that physical site inspections have, in some instances, been curtailed for the reporting period, with some audits conducted virtually. As global health conditions normalise, we see that regulators have resumed physical audits of key manufacturing sites.

Measuring our Effectiveness

With the introduction of the Modern Slavery policy in the 2022 financial year, AFT has begun the process of implementing our Modern Slavery policy across our business and our supply chain.

So far, our review of our business (and our programme of embedding our policy in supplier

contracts) has not revealed any incidence of Modern Slavery or areas of concern. Meanwhile, we are confident in the effectiveness of our governance framework in ensuring any instance of concern either at AFT or among our suppliers will be reported to the Board.

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.

We are confident that these initial steps served as a foundation to manage the potential risks of Modern Slavery and raise awareness of it in our business.

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

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