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2023
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 our 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 2022 to 31 March 2023 and it applies to the Company and all the entities that it controls.

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 22 May 2023.



David Flacks
Chair



Dr Hartley Atkinson
Managing Director

- 1 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
- 2 For a list of those entities please see the 'Statutory Information' section of AFT's 2023 annual report, which is available in the Investor Centre on the Company's website at: www.aftpharm.com.

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 150 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 100 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 to cleaners and freight carriers.

Workforce

AFT considers the risk of Modern Slavery within our own workforce is non-existent, given the work performed, the strength of our governance framework, including our commitments to ethical and lawful conduct and our reporting and monitoring requirements.

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.

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.

Risk Management and Mitigation

AFT is dedicated to playing our part in identifying and addressing any potential Modern Slavery across our organisation and within our supply chains. We have 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 Code³.

The AFT Board considers that AFT's corporate governance structures, practices and processes comply with best practice directly, indirectly and 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/>

³ AFT is only required to report its compliance with the NZX Corporate Governance Code as dated 17 June 2022, but has elected to report its compliance with the newest version of the code dated 1 April 2023.

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 below).

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 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 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.

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 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.

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.

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.

Supplier Code of Conduct

In 2023 AFT introduced a Supplier Code of Conduct. 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:

- comply with applicable national, and international laws;
- observe and model ethical business practices;
- 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; and
- establish and follow effective policies and procedures to promote workplace health and safety.

It also requires suppliers to attest to compliance with the code and allows for inspections by AFT.

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 audits to ensure compliance with relevant GMP related procedures and our Modern Slavery policies.

Measuring our Effectiveness

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.

In the 2023 financial year AFT also sent to suppliers a copy of the Modern Slavery Policy and requested they attest to compliance with it. So far more than 90% have attested to compliance with the policy and we are following up with the remainder. The requirements for supplier attestation under the Modern Slavery Policy have since been enhanced by AFT's introduction of a Supplier Code of Conduct, which requires a similar attestation in accordance with the Modern Slavery Policy and the company's broader Environmental Social and Governance framework.

We are in the early stages of rolling out this code and expect to attest to supplier compliance with it in future Modern Slavery Statements and annual reports.

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.

Supplier inspections

COVID-19 continued to curtail physical site inspections over the reporting period. However, with the gradual normalisation in global health conditions, the rolling programme of site inspections of key manufacturing and distribution sites have resumed. None have revealed any instances of concern.

Internal monitoring and training

In the 2023 financial year the Board received no reports of Modern Slavery in our business.

AFT also conducted two training sessions relating to the core policies and procedures across the organisation. All new recruits into the company were trained on these policies.

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.

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