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# Modern Slavery Act Statement

For the year ending 31 December 2022

Submitting entities: AstraZeneca UK Limited (UK), KuDOS Pharmaceuticals Limited (UK), MedImmune Limited (UK), MedImmune UK Limited (UK), Alexion Pharmaceuticals Limited (UK).  
A separate statement will be submitted by AstraZeneca Holdings Pty Limited (Australia) CAN 066 876 962 and AstraZeneca Pty Limited (Australia) CAN 009 682 311.

2022 is the first year where we provide a statement incorporating Alexion content following acquisition in 2021.

Where "AstraZeneca" is referred to throughout the document, this is an umbrella term which includes all of AstraZeneca, including the Rare Disease Unit ("Alexion"), where "Core AstraZeneca" is specified this refers to the AZ business excluding Alexion.

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# Our commitment

**AstraZeneca is committed to operating with integrity and high ethical standards. This includes ensuring that our business respects human rights – a commitment reflected in our Code of Ethics, which is based on our Company Values and includes our global “Our Interactions” policy:**

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We run every part of our business with integrity, honesty and transparency everywhere we operate... We do not allow modern slavery or human trafficking anywhere in our business... We uphold our standards of integrity in every situation by not allowing, asking, or enabling others to engage in prohibited conduct on our behalf... We work only with qualified third parties who have a commitment to ethics and integrity consistent with ours...”

## **AstraZeneca Code of Ethics, Page 3**

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Specifically, we are committed to ensuring that we identify and eliminate to the fullest extent practicable modern day slavery or human trafficking in our business.

Our standards comply with all current national and international laws, regulations and codes to prevent trafficking and slavery in our own business operations. Furthermore, we require our contracting partners and those companies within our supply chain to do the same, as set out in our Global Standard on Expectations of Third Parties. In April 2022 the Core



AstraZeneca Expectations of Third Parties was updated and launched at a supplier conference as part of our efforts to accelerate sustainability across our supply chain. We hold third parties to high standards whilst offering opportunities to build their own sustainability knowledge and capabilities.

Alexion has a Vendor Code of Conduct which provides information to third parties who work with us about our commitment to ethics and compliance and the standards with which we expect all third parties to comply. Amongst other things, the Vendor Code of Conduct requires suppliers to comply with applicable labour laws and regulations and to treat workers with dignity and respect.

AstraZeneca supports and adheres to the principles set out in the UN Declaration of Human Rights, and our employment policies detail our high standards of employment practice. These internal policies and practices include respecting diversity and, as a minimum, complying with national legal requirements regarding wages and working hours. We also support the International Labour Organization’s (ILO) standards regarding child labour and minimum working age.

Since 2018, AstraZeneca has been using the Fair Wage Network database on living wage thresholds (existing in more than 200 countries) to systematically compare average wages of the employees within our company to living wage thresholds.

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# Our business

**AstraZeneca is a global, science-led biopharmaceutical company that focuses on the discovery, development, and commercialisation of prescription medicines in Oncology, Rare Disease (Alexion), and BioPharmaceuticals, including Cardiovascular, Renal & Metabolism, Respiratory & Immunology, and Vaccines & Immune Therapies. We have an active presence in some 90 countries, our products are sold in more than 130 countries and our innovative medicines are used by millions of patients worldwide.**

To drive our science, we have disease area-focused R&D organisations that are responsible for discovery through to late-stage development for Oncology, BioPharmaceuticals and Rare Disease. Two commercial units, one for Oncology and one for BioPharmaceuticals, align product strategy and commercial delivery across our US and Europe-Canada regions. Our International region has commercial responsibility for emerging markets, including China, as well as Australia and New Zealand. Japan reports separately. Our Operations function plays a key role in developing, manufacturing, testing and delivering our medicines to our customers. Our Rare Disease group, in addition to R&D, also manages the commercial and operations functions for our rare diseases portfolio in our established markets.

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**We are headquartered in Cambridge, UK, and also have major hubs in Sweden and the United States. We employ a highly skilled permanent and part-time workforce of approximately 85,000 employees, but we also use contractors and labour agents in sourcing a highly-skilled workforce.**

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Our global supply chain supports all areas of our business with a wide range of goods and services, including raw materials (for example, the active pharmaceutical ingredients in some of our medicines and drug substance and/or finished drug product for some of our biologics medicines), equipment, formulated drugs and packaging, and services, all of which are key to our operations. Many of our business-critical operations including certain R&D processes, IT systems, HR, finance, tax and accounting services have also been outsourced to third party providers. For more information on our business structure, workforce, and operations please refer to our [annual report](#).

The global risk owner for modern slavery and human trafficking is the Executive Vice-President of Operations & Information Technology. Their remit includes accountability for our Global Supply Chain and Global Procurement function. To support the Executive Vice-President, we have dedicated internal compliance and audit resources responsible for reviewing the manner in which we manage all forms of risk, including human and labour rights which covers modern slavery and human trafficking.

For Alexion, additional work is required to strengthen our approach to modern slavery, as this is currently less mature than the broader AstraZeneca enterprise. We will continue to work to align with core AstraZeneca tools and policies in order to further mitigate the risks of modern slavery within Alexion.

We work to develop and maintain good relations with local workforces and work closely with our recognised national trade unions. We also regularly consult with employee representatives or, where applicable, trade unions, who share our aim of retaining key skills and mitigating job losses. According to our internal human rights survey carried out in 2022 within the core AstraZeneca business, 72% of employees and 46% of countries in which we operate, have a relationship with trade unions. Where trade unions do not exist in an area of operation, all countries (95%) have established arrangements to engage similarly with their workforce.

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# Our policies

**AstraZeneca is committed to ensuring that we do not tolerate modern slavery or human trafficking in any part of our business or our supply chains. The [AstraZeneca Human Rights Statement](#) asserts our responsibility to respect the rights of all people.**

This commitment to respecting human rights is underpinned in our policies, our Values and in our relationships with third parties. Our [Code of Ethics](#) defines our Values at work and guides our behaviors. It contains a requirement for our employees to interact with others in an ethical and proper manner and highlights our employment principles and other ethical standards. It specifically prohibits the use of modern slavery or human trafficking in our business. The AstraZeneca [Expectations of Third Parties policy](#) and [Alexion Vendor Code of Conduct](#) also informs our third parties that we do not tolerate the use of child labor and forced labor by third parties.

## Our Values

AstraZeneca's core Values require all our employees to operate with integrity and high ethical standards at all times, along with respect for the individual and diversity: they require us to "do the right thing".

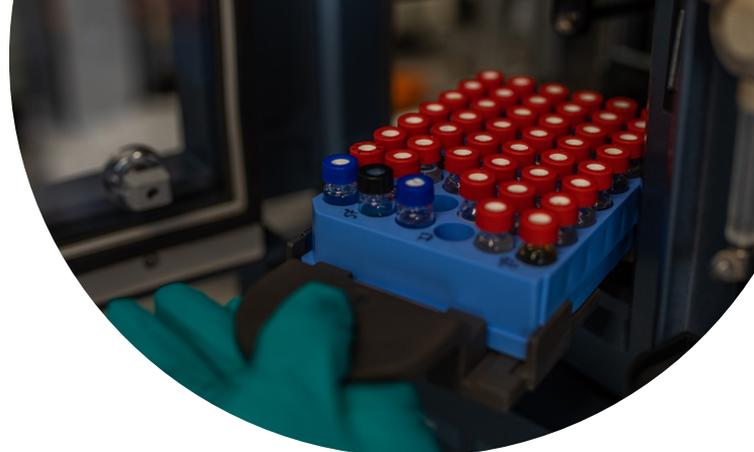
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**Our values determine how we work together and the behaviors that are integral to our drive for success. Our values guide our decision making, define our beliefs and foster a strong AstraZeneca culture.**

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## Training and risk awareness

All AstraZeneca employees receive an annual Code of Ethics training that explicitly raises awareness of the risks of slavery and human trafficking. Rolled out globally in October 2022, the course was completed by 99% of AstraZeneca employees by 30 November 2022, with the expectation that 100% of staff will have completed this training by year end.



Our live internal social media platform reached almost 412 voluntary members who share information and champion risk awareness and mitigation in the business.

In 2022, we will deliver a global risk awareness module to all employees in risk gate-keeping roles in Operations, Human Resources and Compliance. The awareness training will explain how to spot the signs of Modern Slavery, detail the high risk activities for the Company and clarify the internal escalation process for concerns related to this risk. This training will also be available to be rolled out to third parties.

We have created videos and presentations which have been rolled out as part of a campaign to raise awareness of Modern Slavery within internal groups that interact regularly with third parties.

## Our relationships with third parties

The principles and values contained in our Code of Ethics also apply to our suppliers and all other third parties that we do business with. The applicable standards and requirements for third parties are entrenched in our [Global Standard: Expectations of Third Parties](#).

The refreshed 'Expectations' were launched by Procurement at a supplier sustainability conference on Earth Day in April 2022 and has since been referenced in external presentations, underpinning our commitment to sustainability and determination to Do the Right Thing.

To help our partners understand our values and what it takes to work with AstraZeneca, our "[Expectations of Third Parties](#)" document sets out the values that AstraZeneca holds important and provides a clear guide on our ethical position. We require our suppliers and other third parties to operate in line with internationally recognised human rights and promote and maintain a culture of respect and equal opportunities. This requires that our suppliers and other third parties do not use any form of forced, bonded, involuntary or indentured labour.

We hold suppliers to high standards whilst offering opportunities to build their own sustainability knowledge and capabilities. This published document is available on our website and referenced in all of our Purchase Orders and Contracts, giving a legal standing to our new 'Expectations'.

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# Risk management

The Core AstraZeneca business has a Third Party risk management process in place to identify and assess potential risks connected with our suppliers. This includes modern slavery and human trafficking as a standalone risk area but also “Employment Principles” risks such as forced or bonded labour, underage employment, wages and benefits, hours/rest period and leave, collective bargaining, grievance procedures, non-discrimination and harassment.

The potential risks posed to workers are continuously evolving and may have been exacerbated by increasing geopolitical tensions, as well as the COVID-19 pandemic at a time when restrictions on movements made it more challenging to deliver effective oversight.

We continuously review our approach to assessing risk in our global supply chains, to take account of emerging challenges and updated information sources. Details of our actions in response to the Russia-Ukraine war can be found in our [external statement](#).

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We operate with a first line business accountability for managing the risks in any engagement with a third party, meaning that there is clear ownership of the decision to work with a third party within AstraZeneca. This allows responsible management of relevant risks for each third party relationship.

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## Due diligence

When assessing third parties, the core AstraZeneca business uses activity and geography-based factors to identify, assess and document actions to mitigate risks to our human rights and labour principles. These factors determine which third party engagements are deemed high-risk requiring a deeper level of assessment. Where necessary, third parties are required to answer specific questions about the policy, procedures and controls they have in place to manage human rights and labour risks on AstraZeneca’s behalf, including audits.

The Core AstraZeneca business has made significant improvements to the Third-Party Risk Management Framework (3PRM) in 2022, which is used to assess new in-scope vendors prior to engagement and then period reassessment thereafter. The transformation of 3PRM has resulted in a truly risk-led process which is enhanced by continuous monitoring of publicly available information. Alexion was not included in the initial rollout of the new 3PRM process but the intention is to align the Core AstraZeneca business and Alexion due diligence processes in 2023.

A new system and associated processes have been implemented, with outsourced support, delivering a greater level of automation, control and expertise to deliver due diligence and risk assessment requirements.

The new 3PRM process also includes increased monitoring activities. This includes process execution monitoring, ongoing adverse media screening and monitoring to ensure that vendors implement measures that they have agreed to as part of the 3PRM assessment. The approach is data-driven, in terms of geography, spend categories, the user base and third party responsiveness to AstraZeneca requests.

There are recognised opportunities to refine and strengthen the new process further in future, some of which are being considered as part of AstraZeneca's broader Future of Work programme.

Of the 252 engagements with high risk of modern slavery, 26 assessments were reviewed through the second line compliance assurance process. We did not reject any engagements at onboarding due to labour rights related risks, opting instead to work collaboratively with vendors to improve their processes where risks were identified. We continue to be firm on ending the relationship where no satisfactory improvement or resolution is reached or where the supplier cannot meet our high third party expectations. We also provide enhanced real-time guidance to our contract managers during the due diligence process.

When assessing third parties Alexion ensures all vendors go through anti-bribery/anti-corruption (ABAC) third party due diligence which is embedded within financial controls. Alexion conducts enhanced screening as part of ABAC for higher risk suppliers against risk drivers including Human/Labour Rights violations. The intention is to align the AstraZeneca and Alexion due diligence processes in 2023, at which point Alexion will be incorporated into the second line compliance assurance process.

In 2022, we continued our engagement with Slave Free Alliance (Hope For Justice) and we have also participated in working groups with peer multinationals to benchmark our approach to risk identification and mitigation. Through these engagements, we have validated that our highest risk activities continue to be construction, temporary resources, recruitment, facilities, logistics and hotels, sourcing of human biological samples, use of agricultural and electronic components in our products and devices, as well as sourcing and supply of some lab consumables.

Recognising the rapidly evolving landscape in terms of legislation and the increase in cases of modern slavery reported as indicated by the updated Global Slavery Index, we plan to work with Slave Free Alliance in 2023 to refresh the gap analysis undertaken in 2019, this will also provide an opportunity to include Alexion within the risk assessment. This gap analysis will help inform and drive our human rights strategy.



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**We have an established process and affiliated systems in place for employees to raise concerns and to protect whistleblowers from retaliation and identification. We encourage anyone to report in good faith any concerns regarding slavery and human trafficking, as well as any other compliance risks.**

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Whistleblowers can choose to report anonymously at [www.AZEthics.com](http://www.AZEthics.com). AstraZeneca takes any such reports seriously and investigates all concerns raised, seeking to resolve matters in accordance with our Code of Ethics and applicable law.

## Further management

We include modern slavery as an aspect of our human rights agenda. Human rights is one of the focus areas within our sustainability strategy that was selected through a prioritisation process by both internal and external stakeholders, including suppliers and non-governmental organisations. We commit to monitor our human rights performance, set targets, and share challenges and outcomes publicly. The annual [AstraZeneca Sustainability Report](#) discloses this information and since 2022 has incorporated Alexion.

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As Signatories of the United Nations (UN) Global Compact since 2010 and Participants since 2018, we commit to advance the ten principles on human rights, labour, environment and anti-corruption and the UN Sustainable Development Goals (SDGs).

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We share our progress against the UN SDG targets for Good Health and Wellbeing, Gender Equality, Decent Work and Economic Growth, and others in our annual [AstraZeneca Sustainability Report](#).

We conduct an internal labour rights survey every two years in the countries where we operate. In 2022, we launched another global Human Rights Labour Review, which focuses on the ILO's core themes, including freedom of association and collective bargaining, child labour, discrimination, working hours and wages. In 2022 we incorporated questions about family friendly leave to support addressing global inclusivity in this area.

In addition to the survey we also analyse our wage data with the Fair Wage Network, who aim to improve wage levels and development mechanisms beyond minimum legal requirements for all industries. It collects available associated data from all countries' economies and logs all locally recognised definitions of a 'living wage' to provide an average.



We are currently working through a recent update of the database which flagged around 100 employees below the threshold.

We are members of Pharmaceutical Supply Chain Initiative (PSCI) Human Rights and Labour sub group. PSCI is an industry collaboration that supports principles for responsible supply chain management for ethics, labour, health, safety, environment and related management systems.

We are also members of BSR's Human Rights Working Group a global, cross-industry network from businesses focused on human rights challenges and sharing best practices.

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# Ongoing compliance and supplier monitoring



**For the reporting year ending 31 December 2022, over 10,669 third party assessments were conducted through our Third Party Risk Management process. In this time period, there was one recorded case of human rights violations, including related to trafficking or slavery among the third parties surveyed.**

AstraZeneca's Global Compliance function performs second line monitoring of Third Party Risk Assessments through sample review to assure that all forms of risk, including Employment Principles risks, have been correctly identified and mitigated as appropriate. Our second line monitoring identified 10 engagements that required more in-depth review by a contract manager, as a result of risks not being appropriately mitigated.

Our governance group, which has oversight of our Third Party Risk Management process, and includes senior leaders in Procurement, Finance and Compliance functions, will be informed of any third parties exited as a consequence of Employment Principles risks identified through due diligence.

We currently undertake enhanced due diligence on carbon offset projects, working with external Subject Matter Experts to ensure we fully understand the local risk profile and are not contributing to other issues in our efforts to reach carbon zero.

In addition to the risk management process outlined above, we continue to meet with our suppliers on a regular basis to ensure that they adhere to our ethical standards, drive innovation and help us build a long-term competitive advantage.

As a result of concerns raised internally, we discovered that single use gloves used within AstraZeneca had been manufactured in a factory with links to modern slavery. Single use gloves are primarily manufactured in Malaysia, an area that is known to be high risk for modern day slavery.

Following investigation, we know that 95% of the single use gloves in our operations are modern slavery free. The gloves with ties to modern slavery were in use within AstraZeneca for approximately three months; the manufacturer took proactive steps to increase internal production capacity and end their relationship with the factory in question after discovering working conditions had declined during the pandemic. We are working to understand where the remaining 5% are being manufactured and the level of due diligence being undertaken on the manufacturers, including, what mitigations they have in place to prevent modern day slavery.

We have extended our collaboration with EcoVadis to conduct bench marking of over 1,100 suppliers to rate their Environment, Social and Governance (ESG) performance against 4 themes: environment, labour and human rights, ethics and sustainable procurement. The labour and human rights theme includes the elements of child labor, forced labor and human trafficking, diversity, discrimination and harassment.

Of the suppliers that have completed their assessment, 78% have achieved the overall target score of 45 or more. In response to the assessment, the EcoVadis platform produced an action plan, which we work with suppliers to progress through and achieve acceptable future assessments. To date 154 suppliers have been identified with a low theme score for labour and human rights with whom we are working through their action plan to improve their position.

Our objective is to ensure that all suppliers above \$100,000 thresholds achieve the overall target by 2025, after which any supplier will be supported to address any gaps; if this is not achievable they will no longer continue to provide goods and services to AstraZeneca.

As a result of the implementation of the Uyghur Legislation, we have initiated a supply chain mapping exercise to fully understand whether there are any risks within our supply chain related to forced labour in the Uyghur region.

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# Further steps

**AstraZeneca will continue to review and improve its practices to identify and eliminate to the fullest extent practicable modern slavery or human trafficking from our business. This includes continuous improvement of our Third Party Risk Management Framework.**

*This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and Section II (14) of the Australian Modern Slavery Act 2018 and constitutes the AstraZeneca Group's slavery and human trafficking statement for the financial year ending 31 December 2021. In particular, it covers the following AstraZeneca Australian entities with an annual turnover of over AUD100m, and the following UK legal entities with an annual turnover of over £36m:*

- AstraZeneca UK Limited (UK)
- KuDOS Pharmaceuticals Limited (UK)
- MedImmune Limited (UK)
- MedImmune UK Limited (UK)
- Alexion Pharmaceuticals (UK)

*This statement has been approved by the AstraZeneca Board of Directors.*



A handwritten signature in black ink, appearing to read 'P. Soriot'.

**Pascal Soriot**  
**Chief Executive Officer**  
AstraZeneca PLC  
February 2023