

*This statement has been published in accordance with the Modern Slavery Act 2015. It sets out the steps taken by AstraZeneca PLC during the financial year ending 31 December 2016 to prevent modern slavery in our business operations and supply chains.*

## **A. 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 Values, and contained in our global [Code of Conduct](#)

*"We want to be valued for the medicines we provide and trusted for the way in which we work to deliver sustainable benefit for our stakeholders, our business and society... Acting with integrity underpins all of the requirements of [AstraZeneca's] global Code of Conduct, which sets out the high ethical standards expected of everyone at AstraZeneca. These are our baseline rules for working with others as we drive our business forward, and compliance is mandatory."*

**AstraZeneca Code of Conduct, Page 4**

Specifically, we are committed to ensuring that we identify and eliminate to the fullest extent practicable modern day slavery or human trafficking from 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. Further, 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](#).

## **B. Our business**

AstraZeneca is a global, science-led biopharmaceutical company that focuses on the discovery, development and commercialisation of prescription medicines, primarily for the treatment of diseases in three therapy areas - Oncology, Cardiovascular & Metabolic Diseases, and Respiratory. The Company is also selectively active in Neuroscience and Autoimmunity. AstraZeneca operates in over 100 countries and its innovative medicines are used by millions of patients worldwide.

Our science is led by our two biotech units which conduct discovery research and early-stage development from initial target selection to Phase II trial completion: the Innovative Medicines and Early Development Biotech Unit focuses on scientific advances in small molecules, nucleotides and other emerging technologies and drug discovery platforms; MedImmune is responsible for global biologics research.

Both units are responsible for delivering projects to our Global Medicines Development unit for late-stage development.

Our Global Product and Portfolio Strategy group (GPPS) leads our therapy area activities. GPPS also serves as the bridge between our R&D and Commercial functions and works to provide strategic direction from early-stage research to commercialisation.

We group our Commercial functions into Japan, and three Commercial Regions: North America (US and Canada); Europe; and International (Emerging Markets, Australia and New Zealand). Our Operations function plays a key role in the development, manufacturing, testing and delivery of our medicines to our customers. 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.

The Global Risk Owner for modern slavery and human trafficking is the Executive Vice-President Operations & IT. To support the EVP, we have dedicated internal compliance and audit teams responsible for reviewing the manner in which we manage all forms of risk, including employment principles.

## **C. Our policy**

As set out above, AstraZeneca is committed to ensuring that there is no modern slavery or human trafficking in our supply chains or any part of our business. This commitment is enshrined both in our Values and in our relationships with 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*".

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

Our [Code of Conduct](#) contains a requirement for our employees to interact with others in an ethical and proper manner. All AstraZeneca employees receive annual training on AstraZeneca's Code of Conduct which highlights our employment principles and other ethical standards. During 2016, we have reviewed and updated the training provided to employees in respect of our Code of Conduct to ensure it raises awareness of the risks of slavery and human trafficking.

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 Organisation's standards regarding child labour and minimum working age.

We have a whistleblowing policy and affiliated systems in place for employees to raise concerns and to protect whistleblowers. We encourage anyone to report in good faith any concerns regarding slavery and human trafficking, as well as any other compliance risks. AstraZeneca takes any such reports seriously and investigates all concerns raised, seeking to resolve matters in accordance with the Code of Conduct and applicable law.

#### **Our relationships with third parties**

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

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.

#### **D. Risk management**

AstraZeneca has a Third Party Risk Management process in place to identify and assess potential risks connected with our suppliers. This includes "Employment Principles" risks, including the risks related to slavery and trafficking (such as forced or bonded labour, underage employment, wages and benefits, hours/rest period and leave, collective bargaining, grievance procedures, non-discrimination and harassment).

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 us to ensure responsible management of each third party relationship.

#### **Due diligence**

When assessing third parties, AstraZeneca uses activity and geography based factors to identify, assess and document actions to mitigate risks to our Employment 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 Employment Principles risks on AstraZeneca's behalf, including audits.

During 2016, we have reviewed our third party due diligence process, focussing specifically on assessments for Employment Principles risks. The review resulted in the inclusion of specific additional questions related to forced and bonded labour in our risk assessment questionnaires.

We constantly review our risk filters and procurement processes as a key area of continuous improvement.

#### **Training**

AstraZeneca provides employees, management and other relevant personnel with training on the Third Party Risk Management process, which includes training on slavery and human trafficking risks in our supply chain.

**E. Ongoing compliance and supplier monitoring**

For the year ending 31 December 2016, over 10,000 third party assessments were conducted through our third party risk management process. In this time period, there were no recorded cases of human rights violations including trafficking or slavery among those third parties approved for use.

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, have been correctly identified and mitigated as appropriate.

Our governance group which has oversight of our Third Party Risk Management process, and includes senior leaders in Procurement, Compliance, Legal, Commercial & Finance, receives a quarterly summary of those third parties exited as a consequence of employment risks identified through due diligence.

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

**F. 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 the use of independent expertise to enhance our assessment of labour risks in our supply chains, including those risks outlined in the Modern Slavery Act.



**Pascal Soriot**  
Chief Executive Officer  
AstraZeneca PLC

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