

## MODERN SLAVERY STATEMENT

### Introduction

Around the world, new laws require companies to implement measures to fight forced labour and to take this risk into account in their supply chains: Texts like the Modern Slavery Act adopted by the United Kingdom (2015), the Duty of Vigilance Law in France (2017), the Transparency in Supply Chain Act in California (2010) and the Modern Slavery Bill in Australia (2018) require that companies of a certain size more transparently prevent the risk of forced labour in their supply chain.

The actions of companies on the ground, within their sphere of economic influence and with their partners in countries at risk, are essential to eradicating all forms of modern slavery linked in particular to global subcontracting.

This statement describes the measures taken by LFB to combat the risks of modern slavery in its activities and in its relations with its partners (suppliers and subcontractors).

### OUR COMPANY, OUR BUSINESS AND OUR SUPPLY CHAIN

#### OUR COMPANY

LFB is a biopharmaceutical group that develops, manufactures and markets plasma-derived medicinal products and recombinant proteins used to treat serious and often rare diseases in three therapeutic fields: immunology, haemostasis, and intensive care.

LFB was created in 1994 in France and now markets 15 medicinal products across nearly 30 countries. It employs approximately 2,500 people worldwide, including nearly 2,000 in France.

#### A Public Health mission in France

LFB BIOMÉDICAMENTS, a wholly-owned subsidiary of LFB SA, is vested by French law\* with a Public Health mission in France.

The legislator granted LFB the sole authorisation to fractionate plasma-derived medicinal products from voluntary donations collected in French territories. In exchange, LFB gives priority to meeting French needs with the medicinal products derived from that plasma.

The law also underlines LFB's particular commitment to the treatment of rare diseases. Of the 15 plasma-derived products marketed by LFB in France, two-thirds are prescribed for patients suffering from a rare disease.

#### Supply chain

LFB practices responsible purchasing and promotes fair relations with all of its partners, suppliers and subcontractors. This commitment spearheaded by the Purchasing Department is grounded on the "Responsible Supplier Relations Charter" signed by LFB on 1<sup>st</sup> November 2020. This charter defines 10 good practices, from the principle of ethical business to the consideration of environmental issues.

The Compliance Department has implemented an Anti-Corruption Code of Conduct for purchases and expenses, which incorporates measures aimed at preventing corruption.

When setting up a contractual relationship with any of its partners, LFB ensures that they share the same values. The main provisions of LFB's Code of Conduct are mentioned in all contracts and General Terms and Conditions (GTC) of Sale and Purchasing, and a copy of the Code is provided as well.

Furthermore, a clause on the fight against modern slavery is also included in contracts with legal persons as well as General Terms and Conditions (GTC) of Sale and Purchasing.

All of these provisions apply to tier one LFB suppliers and service providers.

## **OUR COMMITMENTS**

"The mission of the LFB Group is to develop, manufacture and market medicinal products derived from living organisms, to treat always serious and often rare diseases".

The LFB Group's ethical commitment is illustrated by how it meets its responsibilities towards patients, healthcare professionals, its employees, partners, shareholder and society as a whole. LFB's Code of Conduct is designed to ensure that all Group employees uphold its ethical commitment. Adherence to the principles and values it imposes forms an integral requirement during the recruitment of all LFB employees. LFB's anti-corruption programme is based on the principle of zero tolerance towards any practice that is contrary to the fight against corruption or undermines probity.

Several strategic transformations have been put in place, with priority given to industrial activities to support LFB's growth, reposition it as a leader in the sector in France and boost its international development.

## **OUR POLICIES**

These commitments are set out in policies formalising the principles of professional ethics and ethical behaviour in social, societal and environmental matters applicable within our Group, particularly in terms of respect for human rights:

- LFB's Code of Conduct recalls that the Group's principles of action and behaviour are in line with applicable international texts on human rights and the fight against forced labour, child labour and corruption.
- With its Corporate Social Responsibility (CSR) Charter, LFB aims to give both its employees and other stakeholders a better understanding of the company's commitments and good practices in the area of CSR. They can use it as a guide to help them integrate social, societal and environmental concerns into their daily activities.
- LFB follows the SA8000 approach that sets out requirements for organisations that include the implementation and improvement of workers' rights, workplace conditions and an effective management system.
- The social procedures followed by Human Resources for recruitment must integrate the notions of non-discrimination and diversity throughout the supply chain.
- The GTC of Purchasing and the Responsible Purchasing Policy include social and environmental clauses for the selection of service providers. The Responsible Purchasing Charter is applicable to all LFB entities in France and abroad. In support of its Responsible Purchasing Policy and to continuously improve it, the Purchasing

Department relies on a charter that codifies in 10 commitments for LFB's relations with its suppliers.

These documents can be viewed on our website: <https://www.groupe-lfb.com/>.

## **MANAGING THE RISKS OF MODERN SLAVERY AND HUMAN TRAFFICKING**

Our policies are accompanied by action plans and operational processes implemented within each Group entity, which contributes to the management of risks relating to modern slavery and human trafficking in our activities and in our relations with suppliers. These risks are assessed according to a differentiated approach depending on the stakeholders and activities concerned.

For LFB, the prevention of these risks plays out in relations with its employees and with suppliers and subcontractors.

In each of these areas, these risks are managed through policies and action plans that include phases for identifying, evaluating and minimising the risks. The level of deployment of these action plans is assessed in order to ensure that they are effective and to allow for continuous improvement of the prevention of these risks.

### **Relations with employees**

The ethical culture within LFB is built on a set of reference texts. The Group's Code of Conduct defines the behaviours expected of all employees. Furthermore, the CSR Charter recalls the need to rigorously apply rules of professional ethics, respect for human rights and fundamental social rights, whether in relations between company employees or with other parties, whomever they may be. These rules are implemented according to non-compliance risk management processes and a specific procedure for reporting deficiencies.

To guarantee respect for the human rights of all its employees, all of LFB's internal HR procedures are in line with the commitments and policies set forth in this statement. For example, LFB ensures that the working environment at its sites is conducive to the health of its employees, is actively involved in the social protection of all its employees (in particular on subjects related to health, retirement and disability) and protects the safety and security of its employees.

LFB has also been committed, for several years, to an approach aimed at promoting diversity and gender equality, based on non-discrimination and the integration of a diversity of backgrounds and ages. This takes the form in particular of agreements signed on topics such as non-discrimination in recruitment, training, promotion, compensation and preservation of the balance between private and professional life.

**The Group maintains, through its Human Resources Department and the Human Resources Business Partners** in each entity, a vibrant climate of social dialogue with all players involved.

This commitment to constructive social dialogue results in the signing of collective agreements that form the basis of our social policy.

**Internally in the interest of the health and safety of employees**, the Single Occupational Risk Assessment Document (French DUERP) produced and updated annually lists all the

professional risks (including psychosocial risks) to which employees are exposed, with the goal of organising preventive measures as part of the annual prevention programme.

### **In LFB's relations with suppliers and subcontractors**

In order to identify and combat the risks of modern slavery and human trafficking practices within its supply chain, the Group has implemented procedures to:

- Identify and assess those sectors most at risk in its supply chain;
- Monitor these at-risk sectors in its supply chain;
- Address the risks of modern slavery practices in its processes.

LFB's Responsible Purchasing Policy is designed to support and strengthen the prevention of the risks of practices connected with modern slavery and human trafficking. The policy is signed by the representative of Purchasing on the Executive Board, who undertakes to respect it within that scope. It is applicable to employees involved in the purchasing process and to suppliers.

Supplier adherence to these values is ensured through the Responsible Purchasing Charter appended to calls for tenders and all supplier contracts. That Charter sets out the reciprocal commitments between LFB and its suppliers, based on the fundamental principles of ISO 26000, the CSR Charter and the SA8000 approach. All of LFB's standard supplier contract templates also include a specific clause on "Respect for human rights, environmental protection and the fight against corruption" whereby suppliers declare and guarantee to respect and ensure respect in their supply chains of all the obligations incumbent on them in terms of identifying risks and preventing serious violations of human rights and fundamental freedoms, and the health and safety of individuals.

CSR risks related to purchasing are analysed according to the following complementary approaches: the EcoVadis questionnaire or any other recognised equivalent label to evaluate suppliers for the Purchasing Department, and risk mapping.

### **ALERT AND REPORTING SYSTEM**

In order to reinforce risk prevention, a centralised alert system is open not only to Group employees but also to third parties for reporting any breach of Group ethics, policies or procedures.

This alert processing tool must be implemented within LFB in several languages (French, English, German, Spanish, etc.). It will facilitate the quantitative and qualitative analysis of alerts (number and types), which will also support the assessment of risks of non-compliance and the improvement of preventive measures implemented.

An Alert Management Committee will step in according to the degree of sensitivity of an alert. It will meet at least once a year to review the whistleblower mechanism (statistics, analysis of the causes of alerts as well as of their geographical area of origin).

### **CONTINUOUS IMPROVEMENT**

The mechanisms for preventing the risk of human rights violations incorporate both the obligations resulting from international rules and recommendations and those based on national law. The measures to prevent these risks were developed in line with those

implemented in the framework of the so-called French "Sapin 2" law of 9 December 2016 on transparency, measures to fight corruption and modernisation of the economy, and the Vigilance Plan established under the French law of 27 March 2017 on the duty of vigilance of parent companies and initiating companies.

LFB will publish detailed information relating to the management of environmental, social and governance (ESG) risks each year in its Non-Financial Performance Statement (NFPS).

*\*: Extracted from law n°2015-990 of August 6, 2015 - Article 190, amending article L5124-14 of the French Public Health Code.*



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