

## ORGANON MODERN SLAVERY STATEMENT 2022

### INTRODUCTION

This statement is made pursuant to the Australian Modern Slavery Act of 2018 and the UK Modern Slavery Act of 2015. It sets out the steps that Organon & Co. ("**Organon**"), the reporting entities listed below, and the subsidiaries of those entities, took over the period from 1 January 2022 to 31 December 2022 to identify and address the risks of modern slavery<sup>1</sup> occurring in their operations and supply chains.

### REPORTING ENTITIES

This statement is submitted by the Organon reporting entities set out in the Appendix to this statement.

### STRUCTURE, OPERATIONS AND SUPPLY CHAINS

#### ABOUT ORGANON

Organon was formed by a spinoff from Merck & Co., Inc. of Rahway, NJ, USA which took place on 3 June 2021.

Organon is a global healthcare company with a focus on improving the health of women throughout their lives. Organon has a portfolio of more than 60 medicines and products across a range of therapeutic areas. Led by the women's health portfolio coupled with an expanding biosimilars business and stable franchise of established medicines, Organon's products produce strong cash flows that will support investments in innovation and future growth opportunities in women's health. In addition, Organon is pursuing opportunities to collaborate with biopharmaceutical innovators looking to commercialize their products by leveraging its scale and presence in fast growing international markets.

Organon has a global footprint with significant scale and geographic reach, world-class commercial capabilities, and approximately 9,300 employees. Organon's headquarters are located in Jersey City, New Jersey, USA and a list of our worldwide locations is available at [Organon Global Locations](#).

For more information, visit <http://www.organon.com>.

#### OUR SUPPLY CHAINS

We manufacture, package and distribute products to more than 135 countries and territories around the world. We have established business relationships with over 7,500 suppliers and partners. Our network is comprised of approximately 300 direct suppliers (including external manufacturing partners), 250 capital expenditure suppliers, 7,000 indirect partners, and 150 research providers. We have established a footprint in 62 countries and collaborations in more than 80 countries.

Our direct suppliers provide us with goods and services such as packaging, components and ingredients. Capital expenditure suppliers provide goods and services such as engineering and construction. Our indirect suppliers include those that provide services such as logistics, travel and meetings, facility management and marketing. Our research providers include those that provide laboratory supplies and other services.

### RISKS OF MODERN SLAVERY PRACTICES

#### IN OUR OPERATIONS

We believe there is minimal risk of Organon causing, contributing to or being linked to instances of modern slavery within our own operations. We do not engage in business activities that involve low-

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<sup>1</sup> The term "modern slavery" describes situations in which coercion, threats or deception are used to exploit victims and undermine their freedom. Modern slavery takes many forms including slavery, servitude, forced labour, debt bondage, deceptive recruiting for labour or services, the worst forms of child labour (where children are exploited through slavery like practices or exposed to hazardous work) and forced marriage.

skilled, labour-intensive production or foreign migrant workers. We have robust labour, employment and recruitment practices in place.

The pharmaceutical industry is highly regulated and is not generally recognised as an industry that poses a significant risk of modern slavery, compared to other industries (e.g. agriculture, construction, electronics, extractives & mining, hospitality, textiles, apparel, forestry, fishing, food processing and transportation).

#### IN OUR SUPPLY CHAINS

We have assessed that the risk of modern slavery practices occurring within our supply chains is predominantly associated with our use of third-party suppliers and service providers that operate in countries that are known to present a significant risk of modern slavery, such as those listed on the Walk Free Foundation's Global Slavery Index, as well as other recognised external data sources on modern slavery and human trafficking.

We recognise that companies with supply chains that extend into high-risk countries potentially face greater risks of modern slavery. Our company can be indirectly exposed to modern slavery risks through our supply chains, as some of our third-party suppliers and service providers operate in countries that have a high prevalence of modern slavery.

#### ACTIONS TAKEN TO ASSESS AND ADDRESS MODERN SLAVERY RISKS

##### IN OUR OPERATIONS

From June 2021, as a standalone public company, we have worked and are continually working to detect and address the risks of modern slavery within our own operations through:

**Organon Code of Conduct** - Respecting and abiding by our company's core values and standards, as stated in our company Code of Conduct. We consider these to be the foundation of our company's success. They apply globally, wherever we are doing business.

**Standards** - Upholding and maintaining company standards on modern slavery and human trafficking. These are reflected in our [Public Policy Statement on Human Rights](#) and we expect our suppliers to adhere to our [Business Partner Code of Conduct](#) ("BPCC") and [Supplier Performance Expectations](#).

**Speaking Up** - Fostering an environment where employees feel safe to speak up and report concerns. We rely on employees to speak up about potential violations of our Code of Conduct, policies, procedures, the law or other misconduct, including any that are suggestive of modern slavery. We are committed to investigating any report of potential incidences of modern slavery occurring anywhere in our operations and confirm that we would take all appropriate steps to rectify any confirmed incidences of modern slavery in our operations.

**Tone at The Top** - Communications from senior leaders emphasising the importance of ethics and integrity and the importance of speaking up and reporting issues/concerns before they become a bigger problem.

**Communication Channels** - Maintaining multiple communication channels to make it easy for employees and others to ask questions or report concerns. Employees can report concerns to their managers, human resources, compliance or legal.

**Speak Up Tool** - Providing a speaking up tool. The Speak Up tool [EthicsPoint - Organon](#) is operated by an independent third-party and it is available 24 hours a day, 7 days a week. It allows employees to raise concerns or ask questions confidentially, and if preferred, anonymously, in their preferred language via telephone or the internet.

**Investigations** - All allegations of misconduct are investigated in accordance with our company's Compliance Issues Visibility Response process, which promotes confidentiality, dignity and respect, objectivity, promptness and non-retaliation.

**Corrective Action** - We take violations seriously. Corrective and disciplinary actions are taken against individual employees who are determined to have engaged in misconduct based on the findings of an investigation, which is independently overseen by our Office of Ethics & Compliance, Internal Audit and/or Legal investigations teams.

**Training** - New employees, as well as existing employees receive annual training on our company Code of Conduct, through a series of online compliance courses. Training completions are closely monitored and reported to senior management.

**Accountability** - Maintaining accountability. All employees are responsible for: 1) adhering to our company's Code of Conduct; 2) complying with all relevant policies; and 3) raising concerns. Substantiated violations may result in disciplinary action up to and including termination of employment.

## IN OUR SUPPLY CHAINS

To help manage and address potential risks of modern slavery (as well as other risk areas associated with third-party business relationships), our Global Procurement Supplier Management (“**GPSM**”) has an established third-party risk management program. Modern slavery risks are considered as part of our third-party risk management activities and is included in a self-assessment questionnaire provided to suppliers in scope.

We recognise that potential risks of modern slavery may also exist in the pharmaceutical supply chain including the suppliers who supply our primary suppliers. The Pharmaceutical Supply Chain Initiative (“**PSCI**”) Human Rights & Labour Sub-Committee has identified several materials<sup>2</sup> commonly used within our industry that warrant further examination. We plan to continue efforts (in collaboration with PSCI) to ensure that the suppliers we work with are appropriately assessed and audited and that the materials we use are sourced responsibly.

During 2022, we have continually worked to detect and address the risks of modern slavery in our supply chain through:

**Supplier Selection** - Striving to select suppliers that are socially responsible and who share our company's commitments to ethics and legally compliant business practices. Our goal is to obtain services, goods, active ingredients, components, finished goods or other products in a way that is lawful, fair and aligns with the principles outlined in our BPCC.

**Expectations** - Setting and communicating our expectations of suppliers, including those related to child labour, forced labour and human trafficking. We use our BPCC to communicate our expectations. It has been translated in most countries in which Organon operates.

**Supply Chain Mapping** - Identifying which of our suppliers operate in countries that are known to present significant risks of modern slavery. We use this information to help us decide upon the level of due diligence and auditing that may be necessary.

**Due Diligence** - Conducting appropriate supplier due diligence helps to determine the level of risk presented by suppliers, including both prospective and existing direct material suppliers and contract manufacturing partners.

Our due diligence process for Labour & Human Rights (“**LHR**”) targets direct materials suppliers, including external manufacturing suppliers and contract manufacturing organisations, regardless of their geographic location.

A self-assessment questionnaire is used to gather information on LHR matters, including assessing freely chosen employment and that forced labour is never used including disclosures about slavery and trafficking, child labour and young workers, employment practices, employee disclosures, fair treatment, wages, benefits, working hours and freedom of association.

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<sup>2</sup> Rubber, Corn, Palm oil, Aluminum, Shellac, Glass, Sugar, Talc; Fish oil; Castor seed/oil; Soy; Cellulose; Ethanol; Carnaúbowax.

The information gathered as part of due diligence is used to determine the acceptability of suppliers' local practices. Any red flags identified during due diligence are reviewed and analysed and used to inform our supplier selection and risk management process.

**Contracts** - Seeking written commitments from suppliers to respect the principles set forth in our BPCC through our contracts/agreements. Our standard contract templates also contain clauses on compliance with laws, ethical business practice, right to audit/inspect, as well as contract termination.

**Auditing** – LHR audits will be conducted using a risk-based approach at select supplier facilities to verify their conformance with our company's expectations (as stated in our BPCC) and by working with them to address identified non-conformities.

Such audits are intended to involve independent third-party audit firms to perform announced LHR audits at suppliers' facilities. When preparing our audit schedule, we consider the industry risk, the category of materials supplied, the country in which the supplier operates and the results of past due diligence.

**Remedial Actions** - Tracking and reporting (to senior management) on the closure of remedial actions taken by suppliers to address identified non-conformities (gaps/concerns) revealed by supplier LHR auditing.

**Monitoring** - Assigning relationship managers from within GPSM to oversee and monitor the performance of key suppliers. We continue to hold suppliers accountable for meeting their contractual obligations.

**Governance** - Third-party risk and compliance is embedded in and sponsored by GPSM. It collaborates with compliance offices and facilitates supplier due diligence and provides independent and objective oversight, monitoring and reporting in relation to the risks presented by third parties.

**Engagement** - Engaging and seeking input from relevant stakeholders including about modern slavery risks and issues, including GPSM, Office of Ethics & Compliance, Legal, Global Safety & Environment and the Office of Corporate Responsibility.

**Training:** Training GPSM professionals with responsibility for supplier selection, oversight and monitoring.

**Collaboration:** By working with PSCI Labour & Human Rights Sub-Committee to develop training materials on modern slavery and by sharing knowledge across our industry and with our suppliers.

## POLICIES

Organon prides itself on acting ethically, fairly and with integrity, including by recognising and respecting human rights. We embody that attitude in our company [Code of Conduct](#) and in our [Public Policy Statement on Human Rights](#).

We expect our suppliers to adhere to our [BPCC](#), which is based on our Code of Conduct, as well as the PSCI's Principles for Responsible Supply Chain Management and the 10 Principles of the United Nations Global Compact.

Our BPCC requires our suppliers to treat their workforces with dignity and respect and specifically to not: (i) use any form of forced or involuntary labour, including bonded labour, prison labour or indentured labour; or (ii) engage in or support any form of modern slavery or human trafficking.

## VERIFICATION

Since June 2021, Organon has required all new direct suppliers (as well as selected indirect and research suppliers in certain geographies based on scoping criteria in place) to complete and return a Supplier Self-Assessment Questionnaire for Ethics & Compliance prior to entering into a contract or arrangement with us.

## INTERNAL ACCOUNTABILITY

At our company, all employees are responsible for: 1) adhering to the values and standards set forth in our own Code of Conduct; 2) complying with all relevant company policies; and 3) for raising compliance concerns. Employees can raise concerns to their supervisor, Human Resources, Legal or the Office of Ethics & Compliance. They are also encouraged to Speak Up at [www.organon.com/integrity](http://www.organon.com/integrity) to report concerns. We investigate all reported allegations of misconduct. Violations of our company's Code of Conduct or policies may result in a variety of corrective actions and in some cases may result in disciplinary action up to and including termination of employment.

#### ABOUT OUR COMPLIANCE PROGRAM

Being an ethical company is about much more than simply adhering to the letter of the law. But it's an important step.

As part of our commitment to ethics and good corporate citizenship, our first step is always to comply with the laws and regulations that govern the way we market and sell our medicines and other healthcare products.

We have a compliance program that:

- seeks to prevent, detect and resolve potential violations of law or company policy; and
- undergoes regular assessment and adjustment to make sure we are being responsive to our evolving business and associated compliance risks.

Our board of directors and senior management, including the company's Chief Ethics and Compliance Officer, oversees the company's global compliance program, including compliance-related policies, procedures, education and training.

In addition, we:

- require employees to report potential violations of law or company policy;
- hold ourselves accountable for responding promptly when potential violations arise;
- take disciplinary action as appropriate; and
- examine whether identified violations are in part due to gaps in our policies, practices or internal controls and if so, take appropriate action to prevent future violations.

#### ASSESSING THE EFFECTIVENESS OF OUR ACTIONS

We are developing Key Performance Indicators ("KPIs") to help us assess the effectiveness of our efforts in addressing the risks of modern slavery in our operations and supply chains and identify opportunities to help improve our programs. Organon was launched on 3 June 2021 and post-launch over 9,000 employees completed training on our Code of Conduct and 48 supplier LHR assessments were completed. No material risks were identified from those assessments.

KPIs for 2022:

- Over 9,000 employees completed the assigned Code of Conduct training<sup>3</sup>
- 48 supplier LHR assessments performed<sup>4</sup>

#### NEXT STEPS

We will continue working on our efforts to identify, assess, and address modern slavery risks within our operations and supply chains. These efforts will include:

- investigating any reported concerns promptly;
- conducting further supplier LHR due diligence exercises to identify and address risks;

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<sup>3</sup> Assigned annually to all employees worldwide.

<sup>4</sup> Undertaken as part of initial and ongoing supplier due diligence, managed and overseen by GPSM.

- where appropriate, auditing selected suppliers to verify conformance with our standards for LHR;
- holding suppliers accountable for addressing non-conformities revealed by LHR audits; and
- participating in the activities/initiatives of PSCI's Labour & Human Rights Sub-Committee.

#### CONSULTATION

The preparation of this statement was performed in consultation with relevant internal stakeholders directly involved with the management of risks related to modern slavery and human trafficking, including senior management representatives from our GPSM, Legal, Office of Ethics & Compliance and Office of Corporate Responsibility.

Company directors representing the boards of Organon and the reporting entities listed in the Appendix to this statement reviewed this statement and consulted with each other about matters contained in this statement prior to publication. Approvals are indicated in the section below.

#### APPROVALS

This statement has been approved by the Board of Directors of Organon Pharma Pty Limited and Organon Pharma (UK) Limited:



Electronically signed by: Nirelle Tolstoshev  
Reason: Approved  
Date: Jun 19, 2023 16:35 GMT+10

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Name: Nirelle Tolstoshev

Title: Director

Organon Pharma Pty Limited

Date: Jun 19, 2023



Electronically signed by: Simon  
Nicholson  
Reason: Approved  
Date: Jun 14, 2023 16:33 GMT+1

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Name: Simon Nicholson

Title: Director

Organon Pharma (UK) Limited

Date: Jun 14, 2023

#### **APPENDIX**

For the purposes of compliance with the reporting requirements contained in the Australian Modern Slavery Act 2018 the relevant reporting entity is Organon Pharma Pty Limited (Australian Company Number 637 107 512).

For the purposes of compliance with the reporting requirements contained in the UK Modern Slavery Act 2015 the relevant reporting entities are: Organon Pharma (UK) Limited.

# Modern Slavery Statement 2022

Final Audit Report

2023-06-19

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