

Vectura Group plc: Modern Slavery Act Section 54 declaration for Financial Year 2020/2021

Vectura Group plc and its affiliates (“**Vectura**”) supports the UK government’s zero tolerance policy in relation to modern slavery practices and is fully committed to playing its part in ensuring such activities are not tolerated or practiced by its commercial partners, customers or suppliers.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes Vectura’s slavery and human trafficking statement for the financial year ending 2020.

Background to Vectura’s business

Vectura is specialist inhalation CDMO that provides innovative inhaled drug development solutions to help customers bring their medicines to patients. The business has proprietary formulations and devices across DPI, pMDI and smart nebulisation platforms. The services Vectura can offer customers includes inhalation development expertise, formulation science and device technology. A fully integrated approach can be provided to support the development of inhaled medicines. The business also has key in-market inhalation products, such as flutiform[®], where it manages an outsourced supply chain to source components, manufacture and supply finished product to its commercial partners. In respect of its oral business, it manufactures products at developmental and commercial scale.

Vectura group structure

Vectura Group plc is the organisations’ ultimate holding company, with its shares listed on the main market of the London Stock Exchange. Vectura has operating companies incorporated in the UK, Europe, Hong Kong and the USA. Vectura also has an interest in a Chinese joint venture vehicle to pursue commercial projects with its Chinese partners.

Identifying Risk

All pharmaceutical products or components which are used in humans must comply with Good Manufacturing Practice (GMP) rules. To be GMP compliant, manufacturers must follow detailed rules and guidance regarding the quality of products they produce, their facilities and their staff. In addition to the checks that Vectura carries out on its manufacturers, their sites are subject to periodic inspections based on a risk assessment by applicable government regulators to check they are GMP compliant.

The significant majority of the components for Vectura’s products are sourced in Europe and the United States. However, there are a few exceptions with certain components and materials being provided by non-European suppliers and manufacturers based in China, India and South-East Asia. Vectura employees make regular site visits to supplier, customer and joint-venture sites for both auditing and relationship purposes. This has been restricted during 2020 due to the COVID-19 pandemic so the use of virtual audits and video conference meetings has been necessary.

Vectura has a pre-existing approved supplier qualification process through which potential suppliers are vetted by the Vectura Procurement and Finance teams in the first instance, undertaking commercial due diligence and background finance checks. Vectura’s Quality Department will make subsequent specific follow-up queries and undertake site audits if the item being supplied has quality standard implications for Vectura products.

All of Vectura's new supply and customer contracts now include anti-slavery warranties and undertakings where applicable. Vectura will expect new suppliers and customers to acknowledge their responsibility to operate in a manner that is free from modern slavery and human trafficking practices. If Vectura has any concerns it would seek to resolve them and if it were unable to do so, it would cease to work with them.

Vectura's Staff

Further information on our employment practices can be found here: <https://jobs.vectura.com/what-we-offer> In respect of agency workers, Vectura uses only specified, reputable employment agencies to engage temporary or contract staff and all Agency Terms & Conditions are reviewed by the organisation's Legal Department before any engagement.

Vectura Policies

In keeping with the Vectura's commitment to act with integrity in all its business dealings, many of our policies are relevant to ensure that there is no slavery or trafficking in any part of the business.

- **Modern Slavery Act policy.** In accordance with the Act.
- **Employee Code of Conduct:** Vectura has an employee code of conduct that sets out the behavioural standards expected from all individuals when representing the organisation, which demonstrates Vectura's commitment to maintaining the highest standards of professional and ethical conduct throughout its business and in managing its supply chain. The guidelines detailed in the code of conduct apply to all Vectura personnel, whether permanent or on fixed term contracts and including agency staff, contractors and directors.
- **Fairness and Dignity at Work policy:** Vectura encourages and maintains a professional and friendly working environment where everyone is free to work without harassment, victimisation or bullying, for whatever reason, and where every employee is treated with dignity and respect. The policy applies to all permanent employees, agency employees, contractors, consultants, suppliers and customers.
- **Anti-Bribery policy:** Vectura is committed to the highest standards of ethical conduct and integrity in its business activities in the UK and overseas and this commitment is set out in the organisation's Anti-Bribery and Corruption Policy. This policy outlines Vectura's position on preventing and prohibiting bribery, in accordance with the Bribery Act 2010. Vectura has a zero tolerance approach to any form of bribery by, or of, its employees, agents or consultants or any other person or body acting on its behalf.
- **Equal Opportunities policy:** Vectura encourages diversity throughout all levels of the organisation and are committed to allowing for individual success based on ability, behaviour, performance and evidenced potential. Vectura remains committed to offering career opportunities without discrimination. Vectura's commitment to equal opportunities, diversity and non-discrimination is enshrined in our working practices and policies; the organisation operates on the basis of mutual respect and does not tolerate discrimination on any basis.
- **Whistleblowing policy.** Vectura believes that a whistleblowing procedure is essential for encouraging an environment of openness and integrity. Vectura's whistleblowing process offers employees a confidential mechanism by which complaints, made in good faith, can be raised within the organisation.

Our effectiveness in combating slavery

- Vectura has vetted 17 suppliers with respect to key products in the last twelve months.
- No slavery or human trafficking issues were identified.
- No reports were made under the Modern Slavery Act policy or under the Whistleblowing policy with respect to Modern Slavery Act issues.
- No remedial actions were required in the last twelve months.

Training

All appropriate staff are provided with awareness, instruction and ongoing training with respect to the Modern Slavery Act.

Board Approval

This statement has been approved by the Chief Executive Officer of Vectura on behalf of the Board of Directors. The policy will be reviewed and updated as appropriate on an annual basis.

Will Downie

CEO, Vectura Group plc