



GLOBAL ETHICAL SOURCING AND MODERN SLAVERY POLICY

BACKGROUND

Businesses today have an increasingly important role to play in ensuring respect for and in promoting human rights and in eradicating modern slavery. Sadly, modern slavery and human trafficking are growing and complex problems. Data from the Walk Free Foundation published in their 2018 Global Slavery Index suggests that the problem is still pervasive.

The Australian Modern Slavery Act 2018 (Act) took effect on 1 January 2019 and requires corporations make an annual public report (a Modern Slavery Statement) on their actions to address modern slavery risks in their business and their supply chains. In addition, other jurisdictions have implemented modern slavery legislation and, where applicable and where those laws impose different obligations than under the Act, Appen will comply with those laws. For example, the UK, California and NSW governments have passed modern slavery legislation. Because this is a global issue Appen has made this a **global** policy. It will apply to all companies in the group and all operations around the world. The Policy will be updated over time to address new legislative initiatives where they apply to Appen's operations.

Beyond legal compliance, stakeholders, employees, the community and shareholders share an expectation today that companies take steps to help eliminate modern slavery.

PURPOSE

The purpose of this Policy is to ensure that Appen:

1. complies with applicable laws and regulations regarding ethical sourcing, human trafficking and modern slavery;
2. acts to reduce the risk of modern slavery occurring in Appen's operations and supply chains;
3. sources products and services in accordance this Policy;
4. educates its workers regarding modern slavery and trains its workers to better understand Appen's obligations under this Policy; and
5. encourages its suppliers to improve their practices regarding modern slavery.

This Policy is divided into two main sections:

1. Things we require of our Suppliers; and
2. Things we will do ourselves.

Appen will, as far as practicable, use in its operational and supplier contract terms requirements that suppliers comply with the principles set out in Exhibit 1 (Principles) and which allow termination if the supplier fails to meet these Principles or elects not to work towards meeting the Principles in a timely fashion. Appen will monitor the effectiveness of and compliance with the Principles by itself and its suppliers. A supplier is a person or business supplying products or services for use by Appen itself or for Appen's customers.

Appen will implement an approach to modern slavery risk management and compliance internally in accordance with the guidelines in Exhibit 2 (Guidelines). This approach will ensure due diligence is performed on target companies and that acquired companies transition to Appen's practices in a timely fashion.

If the Policy is breached, the company will act as quickly as practicable to investigate the breach and mitigate adverse impacts on those affected, including workers, individuals or communities.

POLICY AMENDMENT

This Policy cannot be amended without approval of the Appen Board. The Appen Board is responsible for oversight of the company's ethical sourcing and modern slavery commitments and will review this Policy regularly to ensure it continues to evolve and reflect legal requirements and community expectations.

Version	Owner	Date Approved	Review Date
1.0	C Middlehurst		

Exhibit 1

Things we ask of our Suppliers

No slavery. No forced or bonded labour. No trafficking.

Suppliers must not use forced labour (slave, prison, indentured, bonded, or otherwise). Suppliers must not traffic workers. Suppliers must not exploit their workers by means of threat, force, coercion, abduction, or fraud. Working must be voluntary, and workers must be free to leave work and terminate their employment with reasonable notice. Workers shall not be required to pay recruitment, hiring, or other similar fees related to their employment and that shall be communicated to workers in their native language in advance of employment. Worker employment terms must be clear and understandable.

Our suppliers must not require their workers to surrender government issued identification, passports, or work permits as a condition of working, and our suppliers may only temporarily hold onto such documents to the extent reasonably necessary to complete legitimate administrative and immigration processing.

Suppliers must ensure that labour sourcing or recruiting organisations also comply with these requirements.

No child labour

Suppliers must only engage workers whose age is the greater of: (i) 15, (ii) the age of completion of compulsory education, or (iii) the minimum age to work in the country where work is performed. Furthermore, workers under the age of 18 must not perform work which is hazardous.

Suppliers must ensure that any work by a child or young person is not likely to interfere with that person's education, or to be harmful to that person's health or mental, spiritual, moral or social development.

In some jurisdictions, children and young people may be offered the opportunity for work-experience, to participate in research (eg. voice recording) or other short-term apprenticeships which do not conflict with the ILO Convention and are consistent with local laws.

Employment terms, wages and record keeping

If a Supplier engages a worker, those Suppliers must comply, at a minimum, with all laws regulating local wages, overtime compensation and legally mandated benefits. Record keeping must be accurate. Such workers must be provided with written and understandable information about their pay and employment conditions. Deductions from wages, unless provided by law, shall not occur without the agreement of the worker concerned.

Working hours

Where Supplier engage workers, working hours must comply with applicable local laws. Workers should not be required to work more than the maximum hours per week as stipulated by local laws or in the absence of such law by the applicable international convention. Overtime shall be agreed, shall not be excessive, shall not be requested on a regular basis and shall be compensated as prescribed by applicable local laws.

No discrimination or harassment

Suppliers must ensure that all conditions of employment must be based on an individual's ability to do the job, not on the basis of characteristics, such as gender, ethnic origin, religion, age, disability, personal beliefs, marital status, sexual orientation, union membership or political affiliation. Certain projects may require participants have certain characteristics (eg. a voice sample may be required of people from various age groups as voice patterns and pitch change throughout life).

Workers shall be treated with dignity and respect. Suppliers must ensure that they provide an environment where their employees can work without distress or interference caused by harassment, discrimination, bullying or any other inappropriate workplace behaviour.

Working conditions

Suppliers shall provide a safe and hygienic working environment for their workers (including supplier provided worker accommodation) that is without risk to health and without any unreasonable hazards. Workers have the right to refuse work that is unsafe.

No bribery. Act ethically

Suppliers must act ethically and comply with relevant anti-corruption laws. Bribes, favours, benefits or other similar unlawful or improper payments, in cash or in kind, are strictly prohibited, whether given to obtain business or otherwise.

Sub-contracting

Where sub-contracting is permitted, suppliers must have adequate processes in place for properly managing sub-contracting to ensure that sub-contractors operate in accordance with these requirements.

Environmental compliance

Suppliers shall comply with relevant local and national environmental protection laws and will as far as practicable comply with applicable international environmental protection standards.

Freedom of association

Suppliers shall respect the rights of their workers to lawfully associate or not to associate with worker groups or trade unions of their choosing, as long as such groups are legal in the country of operation. Where provided for under local law, workers are allowed to select worker representatives and those representatives will not be discriminated against.

Migrant workers

Migrant workers shall have the same entitlements as local workers as stipulated by local law. If suppliers engage foreign or migrant workers, such workers must be engaged in full compliance with the immigration and labour laws of the host country.

Grievances and Whistleblower Protections

Suppliers must have a process to allow their workers to raise grievances. Suppliers must protect worker whistleblower confidentiality and prohibit retaliation against workers who report workplace grievances.

Exhibit 2

Things Appen Will Do

Modern Slavery Risk Management Guidelines for Appen

Risk Owner

Appen will appoint a risk-owner with accountability for modern slavery issues and compliance with this Policy. The risk owner will be accountable for addressing modern slavery issues in company operations and with supplier relationships.

Acquisitions

Appen will ensure that due diligence activities are directed towards understanding the risks of modern slavery with regard to any target company. Consistent with the approved integration plans and any earn-out obligations, acquired companies will transition to being subject to these Guidelines.

Supply chain mapping and risk assessment

Appen will map supply chains it manages (eg. Appen Connect) and assess the risks of modern slavery across its operations and the modern slavery risks of those suppliers.

On-boarding and contracting

Appen will seek assurances from or perform due diligence on new (or renewing) suppliers to determine their risk in relation to ethical sourcing and modern slavery. Appen will have a process in place to consider the supplier's reported ethical sourcing and modern slavery performance.

Audit and compliance program

Appen will assess these processes through their audit/compliance program to confirm compliance with this Policy.

Training

During the time leading up to the first required Modern Slavery Statement, Appen will train its workers in relation to the Policy and ensure they receive training on any supporting processes applicable to their role.

Complaints mechanism. Whistleblowers.

Whistleblowers will be treated in accordance with the Appen Whistleblower (Speak Up) Policy.

Appen will implement a reporting mechanism for concerns in relation to modern slavery which allows for confidential and anonymous reporting and provides protection from reprisal. Concerns which are reported will be investigated and reported back to the Board.

Remediation

Appen and its suppliers must be committed to remediate any breaches of this Policy, mitigate risks and constantly improve processes.

Review

Appen will monitor and review the effectiveness of this Policy and the risk management measures described above.