



# Mediq Healthcare UK Ltd

## Modern Slavery and Human Trafficking Statement

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## 1. Modern Slavery and Human Trafficking Statement 2023

I am pleased to share our Modern Slavery and Human Trafficking Statement for 2023. It sets out the steps that we are taking to ensure, as far as possible, that slavery and human trafficking are not taking place in our supply chain or in any part of our business.

Ensuring a responsible and ethical supply chain is one of the key themes of our sustainability programme. The impacts of our business go far beyond our people, premises and vehicles and therefore so do our obligations. We are committed to working to eliminate any occurrence of modern slavery from our operations and our supply chain and will continue to focus on ensuring that our controls are fit for purpose.

A key element of this is our industry-leading auditing provider in Asia. This team plays a critical role in ensuring that our suppliers from our most significant high-risk sourcing region, are subject to frequent and stringent labour and quality checks, which continue to be an important element of our work to eliminate modern slavery from our supply chain. We are committed to taking what we have learned and expanding our ethical sourcing principles across other sourcing areas in the company. We have set a long-term target to expand our programme to ensure products from all high-risk regions are sourced from assessed and compliant suppliers by 2025.

Meanwhile, we will continue to train our employees and raise awareness of this important issue across our businesses. This helps our employees, regardless of their roles, to recognise and understand potential modern slavery issues and take appropriate action.

Richard Cornwell

Managing Director – Mediq Healthcare UK Ltd

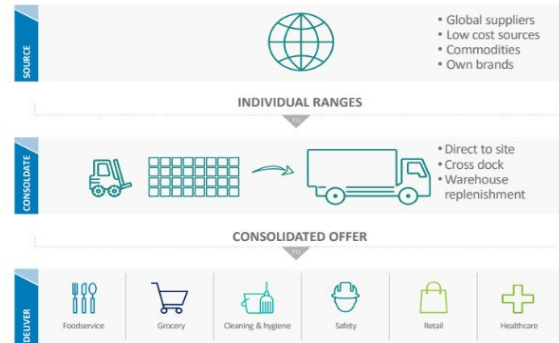
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## 2. About us, our operations and our supply chain

We employ c. 400 people in sourcing, consolidating and delivering a wide range of consumable medical devices, PPE and medicinal products across a variety of market sectors including Primary and Secondary Healthcare, Private hospitals, GP surgeries, dentist, veterinary and commercial customers.

We do not directly manufacture any of the products we supply, however, we do subcontract the manufacture many of the own branded products, acting as legal manufacturer or virtual manufacturer, where product carriers the company trademarks. Our supply chain is both extensive and dynamic as we respond to expanding customer requirements. The vast majority of the products we sell are sourced locally by our businesses but many products are sourced elsewhere if it is appropriate to do so.



## 3. Our commitment

Modern slavery is a global issue and requires global action. As an international business we are wholly committed to eliminating modern slavery practices and respecting human rights across both our own operations and our supply chain.

We take appropriate action to ensure that all our employees understand our policy of eliminating forced labour, child labour and human trafficking. We expect our suppliers to meet or exceed local legislative requirements and applicable international requirements for workers' welfare and conditions of employment, such as those set by the International Labour Organization ('ILO') and the Ethical Trading Initiative ('ETI'). We aim to ensure that our suppliers apply these standards within their operations and their own supply chains.

## 4. Slavery and human trafficking risks

### Risks in our direct operations

Our business is based in the United Kingdom and is involved solely in the procurement, consolidation and supply of manufactured goods. In our view, the profile of our operations in terms of locations and roles therefore means that the risks of modern slavery are low. However, because of our global sourcing footprint, we know that human rights abuses may exist in any market in which we operate. Such issues may involve our own workers as well as agency workers and other types of sub-contracted labour. The Company has developed and implemented policies and procedures in line with the UN Universal Declaration of Human Rights, local legislative requirements and Company HR policies with a view to ensuring that our own people, agency workers and other sub-contracted labour are treated fairly and equally.

### Risks in our supply chain

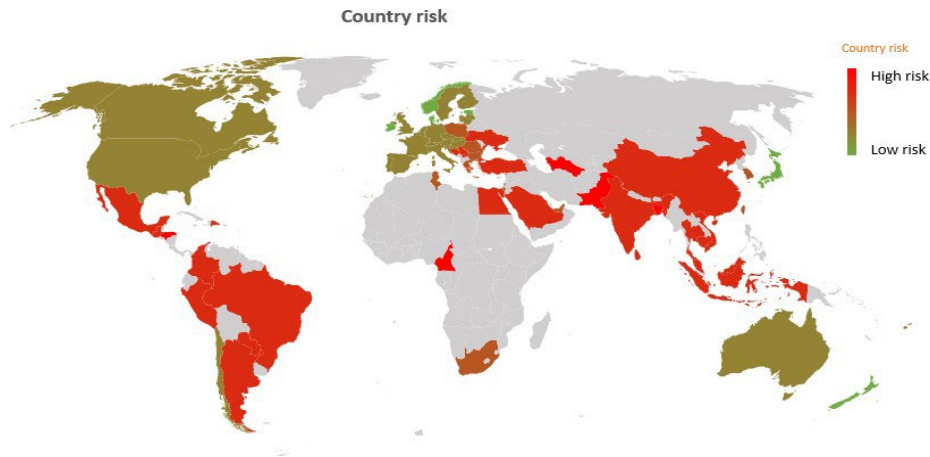
In every country and sector where we buy goods and services, there are people working to extract and grow raw materials, to manufacture goods and to pack and ship them to our businesses around the world. Any global supply chain carries social risk. The majority of our suppliers are based close to our operating companies. We do also import products from lower cost areas, primarily south-east Asia, where we consider the potential risks of forced or child labour to be higher. We periodically complete an external risk assessment of our supplier base to establish social risks in our worldwide supply chain. This allows us to focus our attention and resources on the areas of greatest exposure to risk.

For the completion of the risk assessment, we partnered with the Non-Governmental Organisation (NGO) Stop the Traffik who have applied their methodology to rank the inherent modern slavery and human rights risks in our supply chain. This work was based on a combination of the sourcing country and market sector applicable

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to the products and services being procured.

The vast majority of our direct suppliers are based in countries with comparatively low levels of social risk. Examples of supplier countries with high or very high risk are China, Thailand, Taiwan, India, Malaysia, and Turkey.



The sectors with high or very high risks are manufactures of textile products. These risks can occur in high-risk countries but also in various low risk countries where we source those products such as the USA, the UK and France. While products in the textiles sector is the highest ranked for modern slavery risks, our spend in these sectors is relatively low and, as a result, the total direct risk in these sectors is comparatively lower than in others such as rubber, plastics and pulp and paper where our spend is relatively high.

More details around our risk mitigation strategy can be found in the “Managing our supply chains” section of this statement.

## 5. Policies in relation to slavery and human trafficking

The Company adheres to a comprehensive suite of policies and standards, which reflect the UN Universal Declaration of Human Rights and require compliance with internationally recognised requirements for workers’ welfare and conditions of employment as defined by the ILO or the ETI which specifically prohibit forced labour i.e. slavery and human trafficking, unfair wages and working hours, discrimination and denying freedom of association. The key policies are summarised below:

The **Mediq code of conduct** defines the principles and standards that we expect our employees to understand and adhere to. It is never acceptable for our employees to deviate from the code to achieve a business objective. The code is communicated in local language to our employees worldwide.

Our **Ethical sourcing policy** ensures that Mediq sources products in an ethical and consistent manner. A key element is our **Supplier code of conduct**, which establishes our expectations for suppliers in the areas of labour and human rights, environment, health and safety, ethics and management systems. More information about the supplier code of conduct is provided in the Managing our supply chains section of this statement.

Our **Whistleblowing Policy** sets out our internal grievance reporting procedures. We expect our employees to make management aware of all non-compliances to our code of conduct, any applicable law and/or company policies. The policy posters are displayed on notice boards in each facility including information on how to report matters confidentially and anonymously. So far, none of the calls received through the whistleblowing tip line have been in related to modern slavery.

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Our Diversity, Equity and Inclusion **policy** sets out the principles of our employment procedures and practices, which are based on a principle to treat people fairly and equally and opposing all forms of discrimination. All businesses develop and implement local HR policies and procedures that support and demonstrate the principles of the global policy.

## 6. Monitoring our policies

Implementation of our policies is monitored by Human Resources and Regulatory professionals who periodically visit our locations and audit the operations to ensure that they meet the relevant standards. The assessment is a key element of monitoring the implementation and effectiveness of our modern slavery policies, with key areas of scrutiny being employee training, communicating the supplier code of conduct and the auditing process.

Supply chain monitoring, such as the execution and follow up to social risk audits, is undertaken by our local procurement professionals and our Quality Assurance department with support from our audit partner based in China. The effectiveness of our audit programme and ethical sourcing policies are monitored, with regular reports to the Senior Leadership Team.

Regular reports are submitted summarising the audits that have been carried out, the material issues that have been identified from such audits and the follow up actions taken to address such issues.

## 7. Governance

Our Managing Director and members of the Senior Leadership Team have overarching accountability for the standards in our operations and supply chain. The Senior Leadership Team also plays a role in ensuring that an adequate risk management framework is in place. Day to day management of the business, including procurement, is devolved to Site Management in each of our operational..

Through our governance meetings we ensure that we adequately and pro-actively address the key sustainability and CR trends facing our business..

The Senior Leadership Team includes the procurement lead, Quality and Regulatory lead and HR and is responsible for developing processes and procedures to assess opportunities and mitigate risks within our global supply chains, ensuring regulatory compliance as a minimum.

## 8. Employee training

One of our focus areas continues to be on training our people and raising awareness of modern slavery. All of our senior employees, including managers, procurement and sales executives, are required to complete the corporate responsibility e-learning modules on modern slavery risks. The training helps our employees to understand and recognise social risk issues that might occur in our supply chain and informs them of the appropriate actions that should be taken if such issues materialise. All businesses are required to ensure that new and existing employees view the updated training materials applicable to their role, including the modern slavery risk module.

In addition to the e-learning modules, we have developed social risk training materials aimed at further increasing our businesses' awareness of the risks of modern slavery and our programmes to mitigate these risks.

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## 9. Managing our supply chains

We use the results of our supply chain risk assessment to continuously enhance the mitigation of social risks in our supply chain. We rank our sourcing countries by risk level and ensure that effective mitigation of slavery and human trafficking risks is in place, appropriate to the risk level. Our due diligence processes in relation to these risks in our supply chain are centred around four elements:

### 9.1. Supplier training

We work with our suppliers to help them prevent social risk issues arising in the first place as well as addressing them if they are found through our audit programme. We believe that building relationships and trust with suppliers is critical when it comes to preventing and identifying incidences of modern slavery. We regularly meet with our suppliers to showcase examples of good practice and build awareness of social compliance issues. We continue to liaise with suppliers and support them where possible to resolve any issues identified

### 9.2. Supplier code of conduct

Our requirements relating to modern slavery risks are established in our supplier code of conduct. We expect all suppliers to adhere to our supplier code of conduct as a condition of doing business with us. The supplier code can be made available in multiple languages and is actively communicated by our businesses to our suppliers, particularly in those countries with increased risk of modern slavery and other social risks.

Suppliers in high-risk countries receive the code every year and we require a confirmed acknowledgement and adherence to the code. We are increasingly switching to digital platforms to facilitate the monitoring of sign-off processes.

### 9.3. Supplier assessments and audits

We have an audit partner based in China which performs regular audits of our direct high risk suppliers to ensure that they meet our standards in relation to human rights and conditions of work. The audits cover various aspects including child, forced or bonded labour, disciplinary practices, management of homeworkers and foreign migrant workers, freedom of association, wages, working hours and health & safety.

We continually update our audit guidelines to ensure they represent best practice and cover all the relevant risks. To ensure that the auditing standards we apply are consistent with external best practice the Auditing Checklist has the same content and is equivalent to the SMETA Checklist, one of the leading external auditing standards available.

A summary of the social risk areas in our audit is as follows:

- Child labour and young workers
  - Completeness of employee rosters and registration of young workers.
  - Policies and observed practices against child labour and on young workers, including a review of young workers' work requirements.
- Forced labour and disciplinary practices
  - Policies and observed practices against forced labour, physical punishment, discrimination, harassment & abuse.
  - Payment of deposits or debts to supplier or recruitment agency.
  - Any non-voluntary overtime work, ID card or passport confiscation or any physical containment of workers.
- Migrant workers
  - Recruitment practices, employment and living conditions.
  - Confiscation of the ID copy, legal certificate to work of foreign migrant worker.
- Freedom of Association
  - Right of employees to join or form trade unions and to bargain collectively.

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- Facilitation of means for independent and free association and bargaining, when right to freedom of association and collective bargaining is restricted under law.
- Wages and working hours
  - Timely payment of normal and overtime wages and meeting minimum wage standard, no illegal or unreasonable wage deductions.
  - Sufficient rest hours and days, daily and monthly overtime controlled within legal requirements.
- Fire safety
  - Adequacy, availability and maintenance of fire extinguishers, fire alarm, emergency lights, emergency exits, training and evacuation plans in workers' language.
  - Dormitory located in a building separated from the workshops and warehouses.
- Safety and environment
  - Machine guarding, warning labels and procedures to operate equipment.
  - Protection from exposure to hazardous materials and provision of personal protective equipment.

Where the audits identify non-conformities against our standard (for example, instances of forced labour or overtime or wage violations) we work to resolve these quickly through in-depth engagement with the supplier. If resolution is not possible within a reasonable time frame (usually six months) then we terminate the relationship.

Where our auditing partner have been unable to physically visit manufacturing sites, due to lockdowns and travel restrictions, they have used several remote auditing tools to ensure engagement on this important subject is maintained and that suppliers underwent the same level of screening despite the restrictions. The remote auditing tools include self-assessment questionnaires, telephone interviews and day-long video meetings where management teams are interviewed, and records checked.

In our supplier risk assessment work, we place primary focus on the inherent modern slavery risks in the countries that we source our products from. However, we are aware that lower risk countries can contain industry sectors with an increased risk of modern slavery issues.

The table below provides an overview of how we categorise the modern slavery risks associated with our suppliers and the risk mitigations we apply.

Supplier category	Risk Mitigation
Suppliers operating in (very) high risk countries regardless of product risk sector. These countries include most Asian countries. Key countries outside of Asia are Brazil, Turkey, Mexico, Poland and Israel.	Mediq audit process in Asia and a risk-based assessment and audit process outside Asia. The type of audit (standard or enhanced) to be determined by product risk sector and supplier size and location.
Suppliers operating in lower risk countries but operating in a (very) high product risk sector, such as manufacturing of textiles and manufacturing of leather products.	Similar assessment and auditing techniques as above but targeting specific sectors in these countries. These will be conducted at a lower frequency or by using proactive spot checks.
Suppliers operating in lower risk countries and operating in lower risk product sectors such as manufacture of rubber and plastic products, paper and paper products and chemicals and chemical products	These suppliers are provided with Mediq's Supplier Code of Conduct. In addition to the audits conducted by our team in Asia, our local operating companies carry out audits of suppliers in the regions in which they operate, based on local risk assessments.

We are committed to taking what we have learned and expanding our ethical sourcing principles across other sourcing areas in the Company. We will now expand our programme to ensure that 90% of our spend on products from all high-risk regions are sourced from assessed and compliant suppliers by 2025.

#### 9.4. Corrective action by suppliers

The Audit Partner and the procurement professionals work with suppliers to achieve acceptable standards in all areas of the audit and, where breaches are identified, appropriate action is taken to address such breaches. Suppliers who are unable to meet all the requirements after an initial assessment/audit are given the opportunity to comply fully within a period of time which is deemed appropriate for the circumstances. We show zero tolerance for unacceptable practices at any site used for producing or sourcing Company products. Such unacceptable practices include use of child, forced or bonded labour, illegal discrimination, wages not meeting local minimum requirements, not providing adequate days of rest and any other breach of local or applicable international requirements for workers' welfare and conditions of employment. Relationships with suppliers that fail to make improvements in those areas will be terminated.

### 10. Our Journey so far

Our journey is summarised below:

- *Grievance process:* None of the calls received through our whistleblowing line related to modern slavery.
- *Code of conduct:* We have continued to ensure that the Company code of conduct is communicated to our employees and that the associated learning modules are completed by all employees.
- We have completed an independent review to benchmark our social auditing standards against external best practice and have confirmed that our checklist is equivalent to a SMETA audit, one of the leading external auditing standards available.
- We have set a long-term target to expand our ethical sourcing principles across the Mediq Group and increase our focus on suppliers from high-risk countries outside Asia. By 2025 90% of our spend on products from all high-risk regions will be sourced from assessed and compliant suppliers.
- *Risk assessment:* We have updated our supply chain risk assessment in partnership with a leading NGO and have used the results to refine our risk mitigation strategy.
- *Supplier engagement:* Due to travel restrictions due to the pandemic, we were unable to organise any supplier training events.

### 11. Looking ahead

We remain fully committed to improving our programmes to eliminate modern slavery from our operations and supply chain. Our main objectives for 2025 are the following:

- Increase our supplier engagement process for suppliers outside of Asia as a step toward achieving our global target to ensure that 90% of our spend on products from all high-risk regions will be sourced from assessed and compliant suppliers by 2025.
- Start engaging with suppliers operating in lower risk countries but operating in a (very) high product risk sector.
- Continue to take a proactive, risk-based approach to responsible sourcing, identifying common issues in our supply chain and working closely with suppliers to reduce the future incidences of these issues.
- Continue to expand capacity building and training of our suppliers in Asia by organising supplier conferences in Asia – if travel conditions allow.

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