

## MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT

This statement is made by B. Braun Medical Limited, its subsidiaries and B. Braun Avitum UK Limited, in compliance with Section 54 of the Modern Slavery Act 2015 and covers the financial year from 1 January 2019 to 31 December 2019.

B. Braun Medical Limited ("B. Braun") is part of the B. Braun group of companies which is one of the world's leading healthcare groups. B. Braun Melsungen AG ("B. Braun AG") is the ultimate parent company of B. Braun. With over 55,000 employees in 64 countries, the B. Braun group develops high quality healthcare products, systems and services for users around the world. B. Braun had an annual turnover of £164,294,000 for the financial year ending 31 December 2018 and employs circa 1,280 people in the UK. To find out more about what we do and our values, please go to our Company page.

B. Braun Avitum UK Limited ("B. Braun Avitum") trades in the UK and shares the same ultimate parent company as B. Braun, being B. Braun AG. B. Braun Avitum is managed and administered as part of the UK group of B. Braun companies. B. Braun Sterilog Limited is a wholly owned subsidiary of B. Braun. B. Braun Sterilog (Birmingham) Limited and B. Braun Sterilog (Yorkshire) Limited are wholly owned subsidiaries and trading companies of B. Braun Sterilog Limited.

The B. Braun Group currently operates in most countries across the world as follows:

- United Kingdom (manufacturing of aseptic products to supply own business, distribution and sales of healthcare products and services).
- Germany (head office, manufacturing, distribution and sales of healthcare products and services).
- Manufacturing and/or production sites in China, Malaysia, Poland, Hungary, Italy, India, South Africa, USA, Mexico, Brazil, Switzerland, Ireland, Japan, Romania, Russia, Vietnam, Philippines, Australia, Chile, Colombia, France, Netherlands, Peru and Finland.

### OUR SUPPLY CHAIN

B. Braun distributes products in the UK via B. Braun AG's main distribution site which is located in Germany. Products are shipped both to B. Braun's warehouse in the UK and also directly to B. Braun's customers.

B. Braun also distributes products manufactured by other companies, for example, implants for upper limbs, for which there are distributions agreements in place.

B. Braun currently sells in excess of 37, 000 product ranges including the following categories:

Surgical Instruments  
Power Tools  
Orthopaedic Implants  
Infusion Pumps  
Continence and Stoma Care Products  
Cannulation Products  
Pharmaceuticals  
Nutritional Products  
Endoscopic Instruments  
Closure Products  
Hygiene Products  
Diabetes Products  
Urology, Bowel and Faecal Management Products  
Procedure Packs

Vetcare Products  
Dialysis Machines and Consumables (Avitum)

#### OUR SUPPLIERS: DUE DILIGENCE PROCESSES

B. Braun understands the challenge of ensuring high social, ethical and environmental standards within its business and throughout its supply chain. As a result, B. Braun is committed to working collaboratively with its suppliers to ensure that these standards are continually improving.

In order to achieve this, B. Braun has developed an Ethical Trading Policy drawing on the internationally acknowledged ETI base code.

This Policy defines B. Braun's minimum standards and the basic principles we expect from all our suppliers and contractors. B. Braun is committed to ensuring that the standards outlined in the policy are effectively implemented, measured and monitored throughout our global supply chain and we require the support of our suppliers to achieve this goal.

Suppliers are required to complete a Vendor Questionnaire which includes the requirement that they agree to comply with B. Braun's Ethical Trading Policy, Modern Slavery and Human Trafficking Policy and Supplier Code of Conduct, prior to undertaking any trade with them.

During the course of 2019 B. Braun have directly contacted 626 (suppliers) requesting they confirm acceptance and compliance with B. Braun's Modern Slavery Act Transparency Statement. We have also requested suppliers confirm their annual turnover and, if applicable, they supply B. Braun with a copy of their Modern Slavery Act Transparency Statement. To date we have received positive responses from 538 suppliers.

#### RESPONSIBILITY

Responsibility for B. Braun's anti-slavery initiatives is led by UK Group Legal Counsel but ultimately sits with B. Braun's UK Compliance Committee which reports to the UK Board of Directors. The Compliance Committee is made up of the Heads of Department for Legal, Regulatory Affairs, Health & Safety, Insurance, Environmental, Finance & Corporate Affairs, Sales and Marketing, Facilities, Human Resources and Central Purchasing.

The UK's anti-slavery initiatives are fully supported by B. Braun AG's Group Compliance Committee, where the Group Compliance Manager has been given responsibility for supporting all companies within the B. Braun Group in complying with the legislative requirements including Modern Slavery, European Labour Standards and the Labour Standards Assurance System in the UK.

B. Braun's Compliance Committee are responsible for:

- Writing the necessary Policies
- Conducting Risk Assessments
- Carrying out Investigations
- Monitoring ongoing Compliance

#### OUR POLICIES ON SLAVERY AND HUMAN TRAFFICKING

B. Braun is committed to legally compliant, ethical and socially responsible business and employment practices. B. Braun has a suite of relevant policies in this regard:

- **Modern Slavery and Human Trafficking Policy:** B. Braun has zero-tolerance to modern slavery. This policy applies to all employees, business partners and suppliers.
- **Code of Conduct:** B. Braun's Global Code of Conduct is mandatory worldwide and outlines the basis for the ethical behaviour of each of our employees. It not only requires compliance with laws and legal requirements but also embraces ethical values, such as integrity, fairness and sustainability.

Each country, in which there is a B. Braun company, completes a Self-Assessment Compliance Questionnaire to measure and monitor compliance with the Code of Conduct on an annual basis.

- **Whistle blowing policy:** B. Braun encourages all of its employees to report any concerns related to the direct activities of the business or the way in which the business is run, including breaches of the Global Code of Conduct. The organisation's whistle-blowing procedure is designed to make it easy for employees to make disclosures, without fear of retaliation.
- **Recruitment/Agency workers:** B. Braun uses only specified, reputable employment agencies to source labour and always verifies the practices of any new agency it is using before accepting workers from that agency.
- **Equality and Diversity:** B. Braun is committed to being an equal opportunity employer and to ensure that all employees, contractors and job applicants are treated fairly and are not subjected to discrimination, bullying, harassment or victimisation in the workplace.
- **Corporate Social Responsibility:** B. Braun is committed to minimising the impact the business has on the environment. The B. Braun Group was the first medical products manufacturer to participate in the European Community Ecology Audit. Many of B. Braun's locations conform to the European Environmental Management and Audit Scheme (EMAS III) and also hold the world Environmental Management Standard ISO 14001:2015.
- **ISO 9001:2015 Accreditation:** B. Braun is committed to total quality management; customer focus, a continually improving process approach implemented throughout the organisation, critical processes and their interactions are understood and documented, and a strong management commitment to all these facets of the ISO 9001 Quality Management System. B. Braun continually assesses compliance to ISO 9001 within the business through an internal audit process. [updated by Theresa]
- **Anti-Bribery and Corruption:** B. Braun is committed to carrying out its business fairly, honestly and openly in the UK and overseas. The organisation will not tolerate bribery of any type, at any level, or for any purpose, within the business. B. Braun will not conduct business with customers, suppliers or other third parties who do not also conduct their business in compliance with the Bribery Act 2010.
- **Health & Well-Being Strategy:** B. Braun provides a working environment that promotes the physical and mental health and wellbeing of its workforce.
- **Investors in People Champion:** Investors in People (IiP) is a prestigious accolade. It is only granted to companies that can prove their commitment to the very best practices in the development of their employees.

B. Braun Medical Ltd is proud to have held the Investors in People Award continuously since December 2001. In 2009 we achieved the Bronze award, in 2010 we were awarded with Silver, in 2012 we were presented with Gold and our journey through the IiP ranks culminated in our Champion award in July 2013. In 2015 B. Braun Medical Ltd was reaccredited for the second time against the Investors in People standard as a gold organization along with retaining our Champion status. Most recently in October 2018 B. Braun Medical Ltd retained the GOLD award for the third time and our assessment reported on the exceptionally high levels of commitment with employees who have the right knowledge, skills and motivation to make an outstanding contribution towards the success of our organisation. Continuing in our journey as an IiP CHAMPION is a major accolade for our company and its employees - it demonstrates that B. Braun Medical is placed significantly above the IiP and industry average in this national quality Standard.

#### RISK ASSESSMENT PROCESSES

B. Braun is dependent on a large and diverse range of suppliers, who form an integral part of B. Braun's ability to provide quality products and services. The supply chain at Tier 1, Tier 2 and Tier 3 level is extremely complicated, given that B. Braun sells over 37,000 products in the UK alone.

B. Braun annually reviews its supply chain for the purposes of its Labour Standards Assurance System ("LSAS"). We reviewed desktop risk assessments for three contracts; Surgical Instruments (involving 8,000 instruments), Procedure Packs and Urology, Faecal & Bowel Management. We checked the mapping of these three supply chains, which involve 16 companies (initial mapping to tier 1) of product and service. An ethical risk assessment based upon our Ethical Trading Policy is carried out on all tier 1 suppliers for these three supply chains and any tier 2 suppliers in perceived ethically high risk countries. This annual process requires the supplier to re-sign/accept our Ethical Trading Policy or supply their own equivalent, later to be followed up by a questionnaire based upon the policy (or review of previous answers). The questionnaire also asks for company names and their location of their suppliers for these products. Any tier 2 suppliers in perceived high ethical risk countries would also be risk assessed.

In 2020 B. Braun intend to supply against new contracts, Orthopaedics (involving 8,300 devices), and Surgical Mesh, Fixation Devices, Stress Incontinence and Bulking Agents (47 devices), in total over 16,000 different product codes, which amounts to 37 suppliers who will be ethically risk assessed, an amount that could increase dependent upon whether a tier 1 supplier buys parts/material/product from a supplier based in a ethically high risk country.

Where desktop ethical risk assessments are carried out with Tier 1 suppliers, a country profile for where that supplier operates from is referenced. This enables the assessor to be aware of any ethical country specific problems that could arise, such as child, enforced labour, poor working conditions and lack of freedom of association to join trade unions or workers' collectives. Within 2019, 3 new (additional) country profiles have been created and 14 existing country profiles have been reviewed and up-dated. Information within these profiles includes minimum wage levels, minimum working age(s), country demographics/economy, specific ethical risk areas and how many of the eight fundamental ILO (United Nations agency - International Labour Organisation) conventions the country has ratified, enforced or denounced. From these country profiles a level of ethical risk is attributed (low/high).

#### EDUCATION AND TRAINING TO RAISE AWARENESS OF MODERN SLAVERY AND HUMAN TRAFFICKING

The Compliance Committee has responsibility for ensuring that all employees are aware of B. Braun's statement of compliance with the Modern Slavery Act 2015 and its on-going commitments. The Compliance Committee shall ensure that this statement is displayed on the company intranet and B. Braun Knowledge Centre (BKC).

Training continues to be delivered to employees and management who have direct responsibility for supply chain management, particularly with respect to mitigation of modern slavery risks within the supply chain.

B. Braun has two training modules on modern slavery; Module 1 is for all employees and Module 2 is for senior management and employees working closely with the supply chain. During the course of the year Module 1 training has been delivered to all employees and Module 2 training has been rolled out to applicable employees.

In addition, awareness training has been delivered to the Purchasing and Tenders departments, in relation to ethics and poor labour standards within the supply chain.

#### MEASURING EFFECTIVENESS

B. Braun have identified there are different existing supply chains and continue to review the policies and processes in these supply chains for compliance with the Modern Slavery Act 2015.

During the course of analysing and risk assessing the supply chain, where it is identified that corrective action is required by a supplier a Corrective and Prevention Action Plan ("CAPA") will be issued to the supplier. B. Braun will work collaboratively with its suppliers to ensure that any CAPA is effectively implemented.

**BOARD APPROVAL**

This statement has been approved by the Group Managing Director of B. Braun UK on behalf of the Boards of Directors of each of the UK companies, which will be reviewed and updated as appropriate on an annual basis.

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

David Oates  
Group Managing Director  
B. Braun Medical Limited

Date: 24<sup>th</sup> March 2020