

California Supply Chains Act

Convatec is committed to fair employment practices and to following applicable employment law wherever it has operations. This includes complying with laws that prohibit child or forced labor. In 2022, ConvaTec plans to review its existing policies, procedures and approach to supply chain transparency and modern slavery, both within its internal operations and third party suppliers. This cross-functional project has made steps in assessing the labor risk within the supply chain and adopting policies and processes to ensure compliance with globally-recognized standards. The program is subject to continuous improvement and Convatec is committed to providing the resources necessary to achieve year on year enhancements in the management of labor risks in its global supply chain.

The current status of the program is summarized below:

1. Verification

Convatec evaluates prospective suppliers through a business review focused on the quality of the product manufactured, the standard of documentation in place and other performance indicators. We evaluate third party distributors prior to engagement and require that our distributors comply with all applicable laws and regulations and our Global Third Party Compliance Manual ("Manual"). Our Manual also addresses issues of human rights and the prohibition of child labor, compulsory labor and human trafficking. Each third party that goes through our due diligence process will receive an online Anti-Bribery and Anti-Corruption training that requires the third party to certify adherence to the Manual. All new Direct and Contract Manufacturing suppliers, and existing suppliers when their contracts are renewed, are also required to comply with the Manual. To support our internal assessment of suppliers against our Manual, we operate a process managed by a third-party provider, EcoVadis. This process includes an evidence-based assessment which follows existing best practice and codes and is based on a comprehensive set of ethics, labor rights, health and safety, and environmental criteria which are closely aligned with our Manual. Each assessment is tailored to fit the size, sector and geography of the individual supplier and cover issues including: health and safety, working conditions, child and forced labor, discrimination, energy and greenhouse gas emissions, water and waste management, use of chemicals, local pollution, corruption and bribery, information management, and the supplier's own supply chain assessment processes. We also use a third-party platform, Risk Methods, that feeds alerts and insights on labor standards and compliance issues directly to category managers. Suppliers are added to the platform in real time after selection.

2. Audits

In accordance with our Manual, we are entitled to perform various types of audit assessments to verify the current state of supplier compliance and undertake routine monitoring of the supplier's on-going compliance. If a supplier fails to comply with our Manual, we can either put in place a remediation plan or, in cases of severe non-compliance, refuse to pursue or terminate an existing relationship.

At the end of 2021, these processes did not reveal any issues that warrant an 'onsite' audit focused on trafficking and modern slavery to be conducted.

3. Certification

Convatec requires its direct suppliers to comply with the laws of the country in which they operate. To ensure our suppliers respect and enforce our standards with regard to anti-slavery and human trafficking we have re-drafted the relevant clause in our supplier agreements to read as follows:

"Supplier represents, warrants and covenants that (i) it complies with all applicable laws on working hours and employment rights in the countries in which it operates; (ii) the evaluation and treatment of its employees and applicants for employment are free from discrimination and harassment, whether such discrimination or harassment is based on sex, age, race, colour, ancestry, religion, belief, disability, sexual orientation or marital status; (iii) the Products supplied under this Agreement shall be manufactured under conditions in compliance with the principles set out in the International Labour Organization Eight Fundamental Conventions nos. 29, 87, 98, 100, 105, 111, 138 and 182 and in the United Nations Convention of the Rights of the Child Article 32; and (iv) no Products have been made in whole or in part by sweatshop labour, convict labour or indentured labour under penal sanction."

This clause is not yet standard in all our supplier contracts but is being phased in as Convatec enters into contracts with new suppliers and/or renews contracts with existing suppliers.

4. Internal accountability

Convatec maintains internal accountability standards and procedures for employees or contractors failing to meet company standards regarding slavery and human trafficking. The Convatec Code of Ethics and Business Conduct ("Code") covers workplace issues including human rights, discrimination and harassment. The Convatec Human Rights and Labour Standards Policy ("Policy") specifically addresses the United Nations Universal Declaration on Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the Ten Principles of the United Nations Global Compact. Each Convatec employee is required to report any actual or potential violation of either the Code of Ethics or the Policy and communication channels are in place within the company to facilitate and encourage such reporting. Convatec maintains a cross-functional Human Rights Committee that oversees policy matters related to human rights, and includes representatives from our Supply Chain, Supplier Quality, Legal, Ethics and Compliance, Environmental, Social and Governance (ESG) and Human Resources teams.

5. Training

ConvaTec requires mandatory training in relation to our Code for all new and existing employees on an annual basis. This training is delivered through online training, via Townhall meetings and in virtual or face-to-face sessions. As part of our management induction process, new members of our management team participate in training in relation to our Policy. To hold ourselves accountable to monitoring and tracking this requirement, in our 2021 Annual Report we made a public ESG target to have at least 95% of employees trained on our Code on an annual basis by Q4 2023 and in subsequent years.