



convatec
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Modern Slavery Act Statement

20 May 2022

Background

Modern slavery is defined as the recruitment, movement, harbouring or receiving of children, women or men through the use of force, coercion, abuse of vulnerability, deception or other means for the purpose of exploitation. Incidents of modern slavery can occur in any sector, industry, and geographic region.

Convatec has zero tolerance for any form of modern slavery in our operations and supply chain.

Our vision of **pioneering trusted medical solution to improve the lives we touch**, refers not only to the lives of those who use our products, but also the lives of our colleagues and all those involved in our supply chain.

Section 54 of the UK Modern Slavery Act 2015 requires that each organisation within the United Kingdom which has an annual turnover in excess of £36 million produces an annual public statement, approved by the board of directors, detailing the steps it has taken to prevent slavery and human trafficking in its local and global operations and full value chain. At Convatec, we take this as an opportunity to reflect on the ways in which we execute our core value of 'Doing what's right' and how that impacts our people, culture and business.

We are committed to preventing slavery and human trafficking, and so we implement policies and processes to prevent, assess, detect and report violations within our own operations and our supply chains. This statement, which is published in accordance with section 54 (1) of the Modern Slavery Act 2015, outlines our approach and activities during the period 1 January 2021 to 31 December 2021.

Our approach

'Doing what's right' and 'owning it' are two of our core values that represent who we are at Convatec. We recognise that we need to make sure that our business decisions at all levels embody these values and that we embed ethical behaviour in everything we do. By doing so, we earn trust, build stakeholder confidence and ensure that we act with integrity and do what we say we will do. This is essential if we are to achieve our vision and create value for our stakeholders.

All colleagues are involved in ensuring that modern slavery is not tolerated. To ensure that awareness around detecting and preventing modern slavery remains high, Convatec maintains a cross-functional Human Rights Committee that keeps our structures and processes current to global dynamics.

To prevent modern slavery in our business and supply chain, we must consider our:

- Organisational structure and supply chain
- Human rights-related policies
- Due diligence processes in relation to slavery and human trafficking
- Risk assessment and management structures
- Response to identified issues
- Training on modern slavery and trafficking

This statement details our activities and approach in each of these areas.

Our organisational structure

Convatec develops and produces innovative medical solutions that give people living with certain chronic conditions improved confidence, freedom and mobility. Focused on the chronic care market, we offer a range of services to support these people and the healthcare professionals who care for them. We market and sell our solutions and services in four categories: advanced wound care, ostomy care, continence and critical care¹ and infusion care.






We market and sell our products and services in over 100 countries and own and operate eight manufacturing plants located in seven countries: the UK, Denmark, the Netherlands, Slovakia, Belarus¹, the Dominican Republic and Mexico. Our reported revenue for 2021 was \$2,038m, split geographically as follows: Europe, Middle East & Africa (\$742m - 36.4%), North America (\$1,022m - 50.1%), and Rest of World (\$274m - 13.5%). Our Group structure includes over 50 active companies. This statement is relevant to all our active companies including the following three active companies located in the UK: Convatec Group Plc, Convatec Limited and Amcare Limited.

As noted above, we market and sell our products and services in four categories. We have a direct presence in certain markets and an extensive network of wholesalers and distributors in other markets.

- **Advanced Wound Care** (2021 revenue: \$592m - 29.0%): advanced wound dressings for the management of chronic wounds resulting from ongoing conditions, such as diabetes, and acute conditions resulting from traumatic injury and burns.
- **Ostomy Care** (2021 revenue: \$546m - 26.8%): devices, accessories and services for people with a stoma (a surgically-created opening where bodily waste is discharged), commonly resulting from causes such as colorectal cancer, inflammatory bowel disease and bladder cancer.
- **Continence & Critical Care¹** (2021 revenue: \$543m - 26.6%): products and services for people with urinary continence issues related to spinal cord injuries, multiple sclerosis, spina bifida and other causes, and devices and products used in intensive care units and hospital settings.
- **Infusion Care** (2021 revenue: \$357m - 17.6%): disposable infusion sets for diabetes insulin pumps, or for pumps used in continuous subcutaneous infusion treatments for conditions such as Parkinson’s disease.

Further information about our business, markets, products and financial performance is included in our 2021 Annual Report and Accounts which can be [viewed here](#).

We have a clear vision - **Pioneering trusted medical solutions to improve the lives we touch**. This statement lies at the heart of everything we do. Along with our values, it guides how we run our business. Our values are:

Improve care	Deliver results	Grow together	Own it	Do what's right
<p>We are passionate about serving and supporting people with deeply personal and challenging medical conditions</p> <p>We actively listen and respond to their needs: demonstrating deep empathy and using the insight we gain to develop and share innovative and trusted solutions</p>	<p>We consistently deliver excellent work, say what we do and do what we say</p> <p>We focus on what matters to the people we serve, fulfilling our own roles while working in a team with shared goals</p> <p>We keep things simple and remove complexity wherever possible</p>	<p>We help colleagues around us grow, develop and thrive, so we can all fulfil our potential and make Convatec a great place to work</p> <p>We respect what each of us contributes to Convatec: inspiring and supporting each other to excel, while sharing in our successes and learning from mistakes</p> <p>We are candid, constructive and committed to collaboration with colleagues and partners</p>	<p>We take personal ownership of all our work: taking the initiative, innovating, taking smart risks and never settling for second best</p> <p>We are bold but humble, manage ambiguity and move quickly to seize opportunities or adjust to new demands</p>	<p>We are honest and trustworthy, meeting our obligations and operating with the highest standards of integrity. We challenge what feels wrong: no matter what the issue or circumstances</p> <p>We seek advice and input from others when in doubt</p> <p>We embrace our responsibility to all our stakeholders and commitment to make a positive economic, environmental and social impact</p>
				

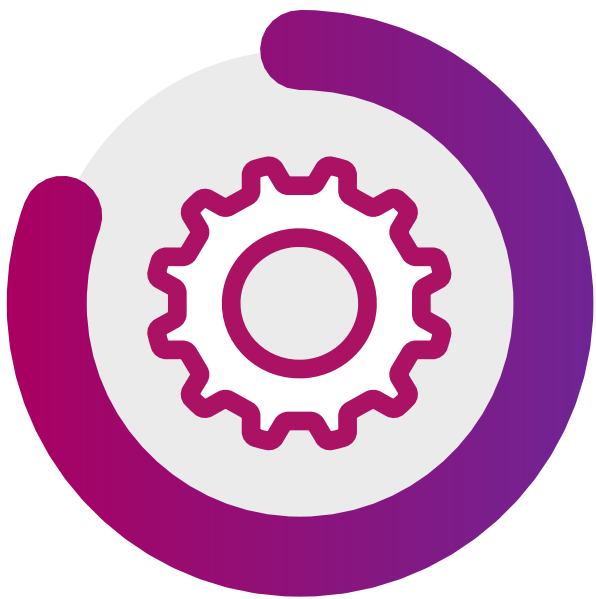
¹ This statement describes our organisational structure for the period under review. Since the end of that period we have announced, that, following a strategic review of our Critical Care category, we will be withdrawing from our hospital care business over the remainder of 2022. As a result of this decision, and other factors, we announced the closure of our factory in Belarus effective 31 May 2022.

Supply chain

Our supply chains include companies based in all parts of the world, including but not limited to China, Taiwan, U.K., U.S.A., Canada, Denmark, Slovakia, Belarus¹, Italy, Switzerland, Sweden, France, Ireland, Spain, Poland, Turkey, Russia, Germany, The Netherlands, Mexico and Dominican Republic.

Our suppliers provide raw materials (e.g. chemicals, adhesives, films, PVC compounds, etc.), part finished products (e.g. moulded items), finished products, services (e.g. sterilisation) and research and development support. Our spend is concentrated towards a relatively small number of suppliers.

For example:



Ten suppliers represent approximately 80% of our contract manufacturing spend;



Three suppliers represent approximately 70% of our logistics spend; while



Our raw materials supply chain is more diverse, with 34 suppliers representing approximately 75% of our total raw material spend.

Like many medical device companies, our products are often sold by third parties, such as distributors.

Our human rights-related policies

We implement a number of policies and codes which are relevant to slavery, people trafficking, and human rights and ethical behaviour more broadly. We publish these policies and codes on our website, and they can be [viewed here](#).

Our [Human Rights and Labour Standards Policy](#) (Policy), which applies to our own operations and employees, 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. The Policy clearly states that **"Convatec does not accept nor condone any form of modern slavery whether forced, compulsory or trafficked labour. Without limitation, Convatec does not engage sweatshop labour, convict labour or indentured labour under penal sanction."**

The Policy is referenced in our [Code of Ethics and Business Conduct](#) (Code) which defines our core principles of ethical business practice and our standards for professional and personal behaviour. The Code includes sections on human rights, discrimination and harassment. In March 2021, we refreshed our Code to reflect updated laws and industry codes and to enhance the provisions relating to product evaluation, sampling and corruption and bribery, including preventing the facilitation of tax evasion. Although we believe that our conflict-of-interest measures operated effectively in 2021, we piloted a web-based survey mechanism which invites managers to identify actual or potential conflicts of interest.

Every Convatec employee is required to report any actual or potential violation of either the Policy or the Code and communication channels are in place within the Group to facilitate and encourage such reporting, including an independently-managed confidential Speaking-Up Helpline, described further below.

In many countries we conduct our business via third party distributors. 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 addresses issues of human rights and the prohibition of child labour, compulsory labour and human trafficking. Each third party that goes through our due diligence process will receive 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.

In 2021, we expanded the scope of our due diligence process to include other third parties (including wholesalers and GPOs) that provide us with services and may also interact with government entities and healthcare professionals. This is described further on the following page.

In 2021, we re-established our cross-functional Human Rights Committee following the disruption during 2020 caused by the COVID-19 pandemic. The Committee oversees policy matters relating to human rights, as described further on page 9. The Committee includes senior representatives from our Supply Chain, Supplier Quality, Legal, Ethics and Compliance, Environmental, Social and Governance (ESG) and Human Resources teams, and sits as a working group with oversight from our Executive-level ESG Steering Committee.

We regularly review and update our policies and codes which are relevant to slavery, people trafficking, and human rights and ethical behaviour. In our 2021 Annual Report, we committed to an ESG target to review, update and re-publish our human rights-related policies in 2022.

Due diligence processes for slavery and human trafficking

Currently we use the following mechanisms to evaluate our suppliers and ensure their adherence to our values and ethics:

Third-party supplier assessment

To support our internal assessment of suppliers' compliance with the terms set out in 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, labour rights, health and safety, and environmental criteria which are closely aligned with the requirements set out in our Manual. Each assessment is tailored to fit the size, sector and geography of the individual supplier and covers issues including: health and safety, working conditions, child and forced labour, 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.

In 2021, we expanded the use of EcoVadis. With 67 suppliers assessed in 2021, we increased the number of suppliers assessed by 24% from 2020. Over two-thirds of our suppliers which were re-evaluated had increased their overall score. As part of our continuous improvement activities, we have reviewed these scorecards with our partners and have created corrective action requests focused on driving year-on-year improvements in their ratings. As in previous years, the ratings generated for Convatec suppliers have continued to outperform the average of all vendors monitored across the EcoVadis platform.

As of December 2021, we include an assessment of potential new suppliers' ability to participate in EcoVadis as part of our new sourcing process. This assessment is part of the Request for Information (RFI) and Request for Proposal (RFP) phases. In 2021, four out of seven RFI/RFP events requested details of EcoVadis status. The remaining three did not require assessment due to the type of service. Convatec requests the commitment of newly engaged suppliers to completing EcoVadis with a 6-month period from contract award.

In our 2021 Annual Report, we committed to ensuring that, by Q4 2023, 80% of Convatec's spend is supported by suppliers with whom we have requested their participation in our EcoVadis platform.

We also evaluate our suppliers using a business review process that focuses on the quality of the product manufactured, the standard of documentation in place and other performance indicators. We use a third-party platform, Risk Methods, that feeds alerts and insights on labour standards and compliance issues directly to category managers. Suppliers are added to the platform in real time after selection. We also carry out cyclical quality audits assessing compliance with relevant regulations, as described below. All new Direct Material and Contract Manufacturing suppliers receive and are required to certify adherence to our Manual.

Due diligence processes for slavery and human trafficking

Certification – supplier agreements

We require our direct material and contract manufacturing suppliers to comply with the laws of the country in which they operate. To help ensure our suppliers respect and enforce our standards regarding anti-slavery and human trafficking, our template supplier agreement includes the following clause:

"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 included in all new supplier agreements and is being phased into existing suppliers' agreements as and when their contracts are renewed.

As described in the previous section on our policies, each third party that goes through our due diligence process receives online Anti-Bribery and Anti-Corruption training that requires the third party to certify adherence to the Manual. Our Manual addresses issues of human rights and the prohibition of child labour, compulsory labour and human trafficking.

Due diligence processes for slavery and human trafficking

Audits

In accordance with the term of 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.

Open communication and whistleblowing/speaking-up

We are committed to fostering a work environment where open, honest communications are the expectation, not the exception. We encourage our employees to approach their supervisor or management in instances where they believe violations of policies or standards may have occurred, including in relation to trafficking or slavery issues. We also encourage them to ask if they require guidance about any of our policies and procedures.

In situations where our employees or any third-party prefers to place a report in confidence, we provide access to an independent Compliance/Speaking-Up Helpline, hosted by a third-party provider. This Compliance/Speaking-Up Helpline is available via our internal and external websites. Where there may be restrictions on confidential or anonymous employee reporting, employees are also directed to an internal confidential Convatec resource to help review and resolve any reports of concern. This would include issues relating to trafficking and slavery.

Risk assessment and management structures

The world is dynamic, and we face evolving variables that affect risk factors for modern slavery. In 2021, the Audit and Risk Committee of Convatec's Board of Directors assessed any potential impact of the ongoing COVID-19 pandemic, Brexit, current and forecast global economic conditions and climate change. Other than economic conditions, which were adequately taken into consideration in the scenarios applied, the Committee concluded that the impact of these factors was likely to be minimal during the three-year viability period.

As mentioned above, Convatec reinstated its cross-functional Human Rights Committee in 2021. The Committee includes representatives from our Supply Chain, Supplier Quality, Legal, Ethics and Compliance, ESG and Human Resources teams. Its scope of work includes:

- Overseeing audits from business partners/third party adherence to our global human rights policies, standards and practices
- Review of the annual Modern Slavery Act Statement to support disclosure arrangements
- Follow any changes in stakeholder expectations and sharing best practices on Human Rights-related topics to further embed these across the Group and its operations
- Commissioning additional activities in furtherance of our global human rights policies, standards and practices that further embed these in our business operations such as education and training of employees and third parties

Our approach to human rights within our own operations and within our supply chain is assessed regularly by one of our key customers, the UK National Health Service (NHS), using its Labour Standards Assurance System which outlines the principles and guidelines the NHS requires its suppliers to comply with to ensure good labour standards are driven throughout its supply chain. Assessments relate to particular product category tenders and cover all the aspects of a management system approach to human rights, including topics such as roles and responsibilities, policy, communication and awareness, risk assessment, operational control and training.

Overall, based on our business structure, due diligence process, and output from our third-party Risk Methods tool, we believe the risk of slavery and trafficking in our own operations to be very low.

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 committed to having at least 95% of employees trained on our Code on an annual basis by Q4 2023 and in subsequent years.

Effectiveness

We believe our policies, training and procedures are effective in reducing the risk of slavery and human trafficking taking place within our own business. During 2021 and to date, we have not received any reports of these activities.

In relation to our supply chains, the audit assessment processes we operate have not revealed any issues that warrant an onsite audit focused on trafficking and modern slavery to be conducted. As highlighted above, we are taking steps to further expand our existing third-party-led supplier assessment process and have set a committed target against which we can measure our success. We have not received any reports of slavery or people trafficking in our supply chain during 2021 and to date.

To further strengthen effectiveness in 2022, the Human Rights Committee intends to drive action on:

- Better identifying where the highest risks for modern slavery are in our supply chain
- Expanding the scope of our audit arrangements for 2022 and 2023

Summary of action

- Re-established cross-functional Human Rights Committee, under the supervision of the executive-level ESG Steering Committee
- New and existing employees were provided with mandatory training in relation to our Code
- We assessed 67 key suppliers using a process managed by a third-party provider, EcoVadis. This process was reviewed and actions were agreed to expand its use
- During 2022 we will continue to monitor the ESG performance of our suppliers managed within the Supplier Relationship Manager programme utilising the EcoVadis platform, Risk Methods tool, and by requiring compliance with our Manual. Where required, Continuous Improvement plans will be introduced and jointly managed. We are expanding our formalised audit arrangements
- Direct and Contract Manufacturing Suppliers continue to sign adherence to the Convatec Global Third Party Compliance Manual

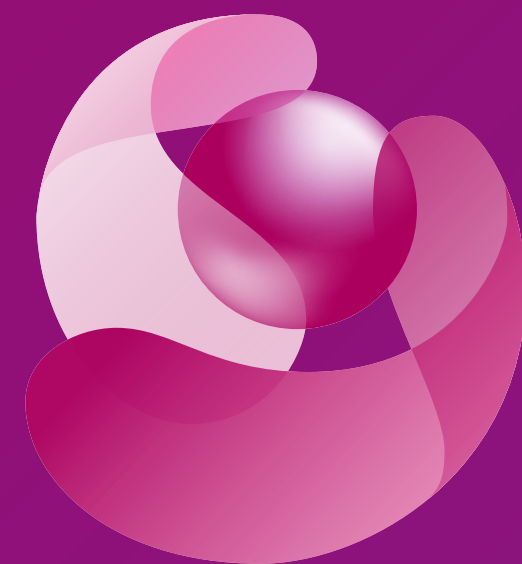
This statement has been approved by the Board of Directors of Convatec Group Plc and is signed by the director responsible for ensuring compliance with the Modern Slavery Act 2015.



Signed by Karim Bitar
Chief Executive Officer

Convatec Group Plc
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Published on 20 May 2022





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For further information on Convatec visit

www.convatecgroup.com