

Labour Standards Policy

1. Introduction

As a manufacturer of medical instruments, Single Use Surgical Ltd (SUSL) recognize our obligation to provide our customers with high quality, professional goods and services at a competitive price whilst ensuring that at no point is any person in any part of the supply chain exploited or treated in a way that breaks relevant employment legislation. We are fully aware of the responsibilities we bear to all parties involved in each of the stages involved in producing our products and have such developed this policy to outline the standards that we, and ultimately all stakeholders involved with the business, should seek to adhere to. SUSL shall show a preference, where appropriate, to suppliers with higher labour standards.

2. Aims

The aim of this policy is to promote understanding and awareness of employment laws and ethical standards. By detailing our labour standards to all parts of our supply chain we hope to develop better ethical standards by motivating our suppliers to adhere to it. It also describes the standard required of potential future suppliers.

SUSL's Labour Standards objectives are as follows:

- To become a progressive ethical company and comply with the ETI Base Code
- Tier 1 Suppliers, as denoted by SUSL's supply chain map, Quality Document SUS204, should have over 85% compliance with the Ethical Trading Initiative (ETI) Base Code SUS205 which must include the sections of the code that are deemed to be appropriate for Emergency Response as outlined in Section 3.11, by March 2014
- All Tier 2 suppliers should have compliance with at least 70% of the ETI Base Code, which must include the sections of the code that are deemed to be appropriate for Emergency Response as outlined in Section 3.11, by March 2017
- All Tier 2 suppliers have over 80% compliance with the ETI Base Code by March 2018
- Encourage parties in our supply chain to develop their own labour standards system and provide help and support to allow them to do this

3. Policy Statement

Single Use Surgical Ltd's policy in relation to labour standards as relevant to the organization itself, contractors, sub-contractors, suppliers and any other parties engaged through the supply chain is as follows:

- We shall comply to all Employment Laws relevant to our business
 - We comply to the Health and Safety Act 1974 - as outlined by the Employee Handbook
 - We comply with all other Employment legislation - as outlined by the Employee Handbook
 - Our compliance with the above is kept up to date using an external HR company
- We will work as denoted by the ETI Base Code. This demonstrates compliance with the principles of the United Nations Global Compact, the UN Universal Declaration of Human Rights as well as the 1998 International Labour Organisation Declaration on Fundamental

Principles and Rights at Work, in accordance with international, national and local law and practice

- We shall encourage all suppliers and contractors to adhere to the Ethical Trading Initiative as part of their respective contracts

3.1 Management Representative

The management representative assigned the responsibility of implementing an effective Labour Standards Assurance System (LSAS) is Kate Stoddard.

The responsibilities of the Management Representative are as follows:

- To develop procedures to meet policy requirements
- To communicate labour standards issues to senior management
- To liaise with companies in the supply chain to undertake labour standard status reviews
- To set objectives and targets for labour standards assurance with plans for training, auditing and required action
- To liaise with companies in the supply chain to implement a plan of action to meet objectives
- To regularly review and improve the Labour Standards policy
- To implement training for staff involved with the LSAS

3.2 Roles and Responsibilities

Given the size of the company and the number of companies in the supply chain, it is adequate for the General Manager to undertake the main responsibility of the LSAS. The Management Representative shall liaise with the Managing Director to develop the LSAS and present any developments at regular intervals to senior management. Members of staff involved with the LSAS shall be identified using the training records system and skills matrix. Target setting for staff involved with the LSAS shall be incorporated into the half-yearly and yearly personnel reviews.

Resources relating to the LSAS will be available to all involved staff through the shared 'N' drive.

3.3 Labour Standards Status Review

SUSL commit to undertaking a comprehensive Labour Standards Status Review; when contracting a new supplier and at regular routine visits to suppliers, to ensure that labour standards throughout our supply chain are satisfactory and continually improving. We recognize that if any contractor or sub-contractor is found to be using unethical or illegal labour programs, this would have a profound impact on the reputation and integrity of the company. The procedure for conducting a Labour Standards Review can be found in section 18.02 of the Quality Manual.

The timescale of the Labour Standards Status Review is subject to change, given the findings from previous reviews, as deemed appropriate by senior management during a bi-annual Quality Review (QR).

3.4 Legal Requirements

SUSL commit to remain up to date with changes to relevant employment legislation through the use of an external HR company.

Relevant employment legislation with regards to SUSL's direct operations is outlined in the Employee Handbook and is signed by all employees once read and understood.

3.5 Objectives, Targets and Programmes

SUSL commit to developing a Corrective Action Plan (CAP) as part of the Improvement Request form (IR) following each Labour Standards Status Review.

The IR/CAP will be reviewed by senior management during the QR, in line with section 14.01 of the Quality Manual, to determine whether the company is on target to reach their objectives and to ensure these objectives are still appropriate. This will ensure that all relevant personnel will be kept up to date with the development of the LSAS programme.

3.6 Competence, Training and Awareness

SUSL commit to the training of relevant staff in order to be competent with handling the labour standards programme. Relevant staff is those involved in procurement and new product development.

Persons involved with the LSAS should:

- Have a good understanding of how SUSL operates with knowledge of the supply chain
- Be in a position to contact suppliers and build a relationship with them
- Be trained in the LSAS requirements

Training for the LSAS is implemented as part of SUSL's training checklist, which keeps a record of the training levels of all the staff at the company. Training reviews and development plans for the LSAS will be included as part of SUSL's current training system.

3.7 Communications

Since the LSAS is embedded into the current Quality System, the existing training systems, quality systems and recorded communication will be used to address LSAS issues.

We will use the IR system to log and monitor any adverse allegations, complaints or alerts relating to the LSAS. See the IR form, Quality Document SUS035, and procedure 14.01 in the Quality Manual.

3.8 Documentation and Records

Documentation and records in relation to the LSAS shall be kept using standard document and record keeping procedures in line with other Quality Documents.

3.9 Operational Control

For the direct operation of the company, the Employee Handbook documents the procedures involved with controlling the labour standards of the company and addressing any risks or breaches of this policy that may be posed.

The senior management of SUSL have identified two critical control points for labour standards in the supply chain; Supplier Approval and Supplier Visits – see section 3.10 for further details

3.10 Supply Chain Management

SUSL commit to monitoring and maintaining the labour standards in the company's supply chain through the distribution and communication of the company's labour standards policies along with the ongoing assessment of whether these standards are being met.

This will be identified through assessment at the control points stipulated in Section 3.8. New suppliers must meet SUSL's initial approval which outlines the standards to which the supplier is expected to maintain as part of their contract. These standards comply fully with those required by the LSAS. Reviews shall be taken at routine visits to suppliers to ensure they continue to comply fully with the LSAS. The findings of supplier visits shall be noted in the following QR. Details on the procedure involved are logged in section 18.02 of the Quality Manual.

A full supply chain map, Quality Document 204, detailing the companies involved with manufacturing SUSL's main products is an established Quality Document available to all staff.

3.11 Emergency Response

SUSL have identified aspects of the ETI Base Code that are of particular importance for meeting minimum levels of labour standards. Sections 1.1, 1.2, 4.1 and 9.1 are regarded by Senior Management of SUSL as statements that justify emergency response.

Emergency Response comprises a request for a written Corrective Action Plan within 14 days that is approved by all parties involved. Should this Corrective Action plan be deemed unacceptable then re-sourcing of production from within SUSL's existing supplier base shall be implemented within 30 days of the initial breach of the above minimum labour standards.

3.12 Performance Monitoring and Measurement

SUSL commit to monitoring the performance of the LSAS during the QR as part of resource management, assessing the progress of the programme against the latest CAP where appropriate and setting relevant targets, in addition to those stipulated in this policy, to ensure the progression of the LSAS against our objectives.

Progression of parties in the supply chain shall be measured against the level of compliance with the ETI Base Code.

3.13 Corrective Action

The current IR quality system will be used to document improvements from labour standards audits.



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3.14 Management Review

Senior management will formally review the labour standards programme during the QR.

Signed *K Stoddard*

Date: 12th October 2015

Kate Stoddard

General Manager