

Ethical Trading, Human Rights and Labour Standards Policy

1. Introduction

Prosum Medical Ltd. has created an Ethical Policy in order to try to ensure that both its organisation and its suppliers conduct their business in accordance with Industry and internationally approved Standards of good ethical, employment and environmental practice, including the International Labour Organisation Standards and the Modern Slavery Act 2015.

The Ethical Policy is designed to ensure that the organisation its partners and its suppliers operate within the principles and guidelines as laid down in the Policy.

The procedures contained in this document ensure that the organisation operates best practice in the application of the Policy and ensures that the organisation abides by its core principles. Yanshen Sun; Managing Director, has overall responsibility for ensuring that the policy is adhered to.

2. Code of Conduct

Prosum Medical Ltd. is committed to the supply of safe, legal products that meet or exceed statutory and customer requirements and that it conducts its business according to the standards of good ethical practice. The organisation expects its suppliers and partners to operate on the same principles.

Specifically, we expect our suppliers (and their suppliers and sub-contractors) to observe best practice and continuing improvement in the fields set out below, and in any other areas notified by the organisation from time to time.

3. Scope of Application

This policy is applicable to all sites, all employees, management and direct suppliers of the organisation, who in turn will be encouraged to supervise their suppliers and sub-contractors in the same terms.

We accept that it may be difficult to exert control or influence over small volume or short - term suppliers but will take all reasonable steps to ensure compliance within this part of the supply base.

Where the organisation deals with large company suppliers (over which it cannot reasonably exert control or influence) which operate their own Social Codes of Conduct, we will expect those companies to demonstrate the conformance of their supply base to the company's code. We do not expect companies' codes to apply outside their own scope of reasonable control and influence.

4. International Labour Organisation Codes

In 1998, the ILO produced the Declaration on Fundamental Principles and Rights at Work. In the Declaration, ILO member states agreed that they should all respect, promote, and realise core labour standards (whether they have been ratified or not).

The organisation commits to adhere to all local and National laws as well as the eight fundamental Conventions identified by the ILO Governing Body which are fundamental principles and rights at work and expects its suppliers to do likewise: –

1. Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)
2. Right to Organise and Collective Bargaining Convention, 1949 (No. 98)
3. Forced Labour Convention, 1930 (No. 29) (and its 2014 Protocol)
4. Abolition of Forced Labour Convention, 1957 (No. 105)
5. Minimum Age Convention, 1973 (No. 138)
6. Worst Forms of Child Labour Convention, 1999 (No. 182)
7. Equal Remuneration Convention, 1951 (No. 100)
8. Discrimination (Employment and Occupation) Convention, 1958 (No. 111). And commit to all workers having: -
 - the right to a living wage based on a regular working week
 - humane working hours that are not excessive, with no forced overtime
 - a safe and healthy workplace free from harassment, where no harsh or inhumane treatment is allowed
 - working conditions that are safe and hygienic
 - a recognised employment

These rights have also been laid down in ILO conventions and recommendations and in the UN declaration on human rights.

5. The Ethical Trade Initiative (ETI) Base Code

The Ethical Trade Initiative (ETI) Base Code has been adopted by the organisation to guide our standards. We are committed to doing all we can to ensure that all our employees, colleagues and members of our supply chain have fair and decent treatment and that their human rights are respected and fully met.

<https://www.ethicaltrade.org/resources/eti-base-code>

1. Employment is freely chosen
 - 1.1 There is no forced, bonded, or involuntary prison labour.
 - 1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.
2. Freedom of association and the right to collective bargaining are respected
 - 2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.
 - 2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.
 - 2.3 Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.

2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

3. Working conditions are safe and hygienic

3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

3.2 Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.

3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.

3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.

3.5 The company observing the code shall assign responsibility for health and safety to a senior management representative.

4. Child labour shall not be used

4.1 There shall be no new recruitment of child labour.

4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child; "child" and "child labour" being defined in the appendices.

4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.

4.4 These policies and procedures shall conform to the provisions of the relevant ILO Standards.

5. Living wages are paid

5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards, or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.

5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.

5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

6. Working hours are not excessive

6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.

6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week or 8 hours per working day with a minimum of 24hrs rest per week.*

6.3 All overtime shall be voluntary. Overtime shall be used responsibly, considering all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. The maximum number of hours overtime is 12hrs per week. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.

6.4 The total hours worked in any seven-day period shall not exceed 60 hours, except where covered by clause 6.5 below.

6.5 Working hours may exceed 60 hours in any seven-day period only in exceptional circumstances where all the following are met:

- This is allowed by national law;
- This is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce.
- Appropriate safeguards are taken to protect the workers' health and safety.
- The employer can demonstrate that exceptional circumstances apply such
- as unexpected production peaks, accidents, or emergencies.

6.6 Workers shall be provided with at least one day off in every seven-day period or, where allowed by national law, two days off in every 14-day period.

* International standards recommend the progressive reduction of normal hours of work, when appropriate, to 40 hours per week, without any reduction in workers' wages as hours are reduced.

7. No discrimination is practised

7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

8. Regular employment is provided

8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and Practice.

8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

9. No harsh or inhumane treatment is allowed

9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

6. Equal Pay

The organisation is committed to equal pay, as set out in the Equality Act 2010, meaning men and women in the same employment performing equal work must receive equal pay. This also applies to all contractual terms.

7. Modern Slavery

Modern Slavery is not tolerated in any form within the organisation's supply chain and we comply with the Modern Slavery Act 2015.

We prohibit the following, which are the 11 International Labour Organisation's forced labour indicators: -

- Abuse of Vulnerability
- Deception
- Restriction of movement
- Isolation
- Physical and sexual violence
- Intimidation and threats
- Retention of identity documents
- Withholding of wages
- Debt bondage
- Abusive working and living conditions
- Excessive overtime

Measures are in place to audit the supply chain to assess and manage areas of risk. We support and endeavour to provide access to remedy, compensation, and justice for victims of modern slavery.

The organisation has a published Modern Slavery Statement available on application, on the company website www.prosummedical.co.uk and on the following register:

- <https://modern-slavery-statement-registry.service.gov.uk>

8. Payment of Taxes

- All relevant taxes will be paid under the applicable National Law and through transparent and ethical conduct of the business the opportunity for tax evasion will be prevented.

9. Reporting grievances

- Employees have access to a process to report grievances within the organisation and will be treated fairly and with dignity.

10. Individual Conduct

No form of bribery, including improper offers for payments to or from employees, or organisations, is tolerated.

11. Entitlement to Work

Original documents are reviewed and then returned to workers to verify their right to work. Only workers with the legal right to work in the country will be employed.

12. Antibribery

All laws relating to anti-bribery and corruption will be upheld in whatever country we do business. We are bound by the laws of the UK, including the Bribery Act 2010 regarding our conduct at home and abroad and have a policy in place.

13. Procurement Practices

It is recognised that some procurement practices can potentially create pressure on suppliers that could lead to Modern Slavery risks. Therefore, the organisation ensures that it does not, as reasonably as possible: -

- Demand aggressive pricing that does not consider sustainable production costs
- Give short lead times
- Place high-volume late orders
- Deliver inaccurate forecasting
- Make late or extend payments
- Withdraw from contracts last minute
- Place unfair penalties for not meeting orders, particularly if require last minute changes
- Provide inaccurate technical specifications

The organisation also considers Modern Slavery risks in all the stages of the procurement process using supplier selection processes, audit, and communication.

These include.

- Initial needs identification
- Requirement definition
- Evaluation of supplier selection / Tender evaluation
- Supplier onboarding / Contract Award
- In-life contract management
- End of contract review

14. Environment

Processes are in place to actively improve the efficiency with which finite resources (such as energy, water, raw materials) are used.

Appropriate management, operational and technical controls are in place to minimise the release of harmful emissions to the environment.

Appropriate measures are in place to improve the environmental performance of products and services when in use by the end user.

Innovative developments in products and services that offer environmental and social benefits are supported.

We are committed to achieving net zero by 2045 in line with the government / NHS targets and have a Carbon Reduction Plan, which is available on our website.

www.prosummedical.co.uk

15. Compliance from Suppliers and Subcontractors

Ethical trading means ensuring that all the suppliers in the supply chain have responsible labour and health and safety practices. We will only work with licensees, suppliers, sub-



contractors, and factories who take this responsibility as seriously as we do and adhere to the International Labour Organisations standards.

Suppliers are required to confirm compliance with international labour laws, modern slavery and antibribery policies and laws and to provide evidence if requested to do so. Suppliers are audited on these standards prior to engagement and then continued compliance is checked yearly.

16. Review History

Date	Change	Carried out by
01/07/2021	Reviewed and no changes made	SJN
25/10/2023	Reviewed and updates made throughout document	SJN