

## LABOUR STANDARDS ASSURANCE SYSTEM (LSAS) POLICY

### PURPOSE

Fontus Health Ltd understand the responsibility we bear towards our customers, employees and the communities in which we operate and that may be impacted by our operations.

We are committed to respecting human rights and upholding ethical labour standards within the Company and the suppliers within our supply chain. We commit to complying with EU and UK Law and Legislation and the requirements of the UK National Health Service Supply Chain Labour Standards Assurance System.

### SCOPE

We have identified the following compelling reasons to establish a comprehensive system of minimum labour standards to guide our business operations:

1. **Ethical Responsibilities** – we acknowledge our obligations towards our customers, employees and the communities in which we work arising from our business operations and wish to work and trade in an ethical fashion.
2. **Threat to Security of Supply** – we have identified that abuses of labour standards in supply chains can pose a risk to the security of supply. Any supply chain partners perpetrating abuses face legal enforcement action which may damage business and interfere with their ability to continue to supply
3. **Adverse Publicity and Damage to the Company's Reputation** – adverse publicity from the discovery of labour standards abuse in our supply chain presents reputational and structural risks to us, not only in terms of revenue, but also in respect of staff recruitment and retention. Poor labour standards can also lead to a loss of trust and confidence with suppliers and within the wider community. We therefore want to do what is right and be seen to do what is right.
4. **Reduced Quality of Service** – We recognise there is commonly a link between poor labour standards and poor quality of service. To this end, it is in our interest to ensure our suppliers reach minimum labour standards requirements at all times.

### LABOUR STANDARDS

This policy will comply with the following minimum labour standards are:

1. **Child Labour** – we do not and will not engage in or support the use of child labour. If we engage any young workers (e.g. on work experience), we will ensure that a suitable risk assessment is carried out and that any young person is not exposed to any hazardous conditions, or in any case work more than 8 hours per day.

2. **Forced or Compulsory Labour** – we shall not engage in or support the use of forced or compulsory labour, or bonded or involuntary prison labour. Employees are free to leave upon reasonable notice.
3. **Health & Safety** – we shall provide a safe and healthy workplace environment and minimise the causes of hazards inherent in the workplace. We shall take effective steps to prevent potential accidents and injury to employees', so far as is reasonably practical and in co-operation with employees. All employees will receive safety and job specific instructions during the course of their employment with us.

All employees shall have access to clean sanitary facilities and drinking water.

Responsibility for implementing the Health and Safety element of this policy is assigned to the Regulatory Department.

4. **Freedom of Association** – the freedom of association and collective bargaining is respected, and we will comply with UK and EU law and legislation in this regard.
5. **Discrimination** – we shall not engage in or support any discriminatory practices in recruitment, remuneration, access to training, promotion, termination or retirement based on gender (including gender reassignment), marital status, family status, religious belief, disability, age, racial grounds (race, colour, nationality or ethnic origin), sexual orientation or other conditions that could give rise to discrimination. We have in place an Equal Opportunities policy which is provided in the staff handbook at induction.
6. **Disciplinary Practices** – we shall treat all employees with dignity and respect. We shall not engage in or tolerate the use of corporal punishment, mental or physical coercion, harassment, intimidation or verbal abuse.
7. **Working Hours** – we shall comply with applicable laws and industry standards on working hours and holiday entitlements. Our normal working hours do not exceed 48 hours per week with the relevant periods of rest similarly observed. We ensure all employees have the legal right to be employed in the UK.
8. **Remuneration** – we shall comply with all national laws and regulations with regard to wages and benefits. All work-related activities are carried out on a recognised employment relationship established according to national law and practice.

## LEGAL REQUIREMENTS

This policy has been established to help ensure applicable/relevant legislative and/or voluntary obligations relevant to employment, welfare, human rights, ethical procurement, equality, discrimination etc are either available or accessible to staff, and to maintain Company's awareness of those labour standards and all relevant requirements.

We will comply with UK employment laws and where applicable local laws of all countries from which products are sourced, and influence our suppliers wherever practicable, they need to conform to employment legislation as a requisite to supply us with goods and services

The sources used to identify and review applicable legislation are, but not limited to:

- Advisory, Conciliation and Arbitration Service ([www.acas.org.uk](http://www.acas.org.uk));
- Health & Safety Executive ([www.hse.gov.uk](http://www.hse.gov.uk));
- UK Government Employing People ([www.gov.uk](http://www.gov.uk));
- Business & Human Rights Resource ([www.business-humanrights.org](http://www.business-humanrights.org));
- Ethical Training Initiative ([www.ethicaltrade.org](http://www.ethicaltrade.org));
- International Labour Organisation ([www.ilo.org](http://www.ilo.org));
- National Health Service UK ([www.nhs.uk](http://www.nhs.uk));
- National Archives ([www.legislation.gov.uk](http://www.legislation.gov.uk)); and
- Information Commissioner's Office ([www.ico.org.uk](http://www.ico.org.uk))

## **ROLES & RESPONSIBILITIES**

The Management Representative for this Labour Standards Assurance System (LSAS) is the HR Officer, currently Sam Foxall. This position has full responsibility and authority for LSAS establishment, implementation, maintenance and ongoing continual improvement.

The Management Representative will be supported by the Operations Manager and the Regulatory department to ensure full compliance of this policy.

The HR Officer will be responsible for labour standards compliance for the company's direct operations.

The Operations Manager will be responsible for labour standards compliance and compliance to this policy for the company's supply chain.

The Regulatory department will support the Management Representative with recording and monitoring issues and non-conformities with the company's supply chain.

The Senior Management Team will be responsible for ensuring adequate resources are allocated to ensure compliance with this policy. LSAS is an agenda item on the monthly management meetings where any issues concerning LSAS are raised, discussed and addressed accordingly.

We have committed adequate resources to ensure our policies and programs are consistent with labour and human rights laws. We will conduct an annual assessment of our supply chain concerning the risk of labour and human rights issues within our supply chain. An external assessment will also be carried out by a suitably qualified 3<sup>rd</sup> party to verify we comply with the applicable Labour Standards Assurance System Level.

We expect all our suppliers to be open and honest about their performance and problems where they may occur, so that we can take measurable improvements where required.

## **COMPLIANCE & MONITORING**

We are committed to continual improvement and shall gather data to monitor and measure our stated objectives and targets, compliance with legislation and other requirements, and

conformance to planned arrangements. We will also manage the risk assessment process with our own suppliers.

Compliance information, including dates for returning information and evidence (e.g. questionnaires and forms), signed policies and completing corrective actions will be effectively managed and actively monitored to make sure that no deadlines are missed without sufficient justification.

Risk assessments and audits (both external and internal) will be carried out to ensure compliance.

Where a risk assessment uncovers an issue of non-compliance we will work with our suppliers to agree and effectively implement appropriate corrective and improvement action plans.

Any issues identified will result in a Corrective and Preventative Action (CAPA), logged on the ACTIV system and addressed in a timely manner. A CAPA log will also be kept on SharePoint and this will be reviewed annually.

All issues will be highlighted at the monthly management meeting to ensure documentation of any further actions to be taken.

We do reserve the right to request additional evidence of labour standards compliance. Examples could include a copy of supplier worker's contract of employment template, copies of relevant policies and signed statements of compliance.

All suppliers of products within the scope of the LSAS are also expected to meet the minimum requirements as detailed in this policy. We reserve the right to terminate supplier relationships where supplier performance or required compliance have not been met.

## **COMMUNICATION AND TRAINING**

This policy should be read in conjunction with our Quality Manual.

This policy will be made available to all staff and all suppliers impacted by the scope of our Labour Standards Assurance System. We will provide mandatory training to all staff and further appropriate training where required for staff responsible for the implantation of LSAS.

Any training requirements around this policy and the Labour Standards Assurance System will be recorded in the meeting.

## **SLAVERY AND HUMAN TRAFFICKING**

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business.

## **RELATED POLICIES AND DOCUMENTS**

We operate several internal policies and documents to ensure that we are conducting all our business in an ethical and transparent manner. These include:

- Whistleblowing Policy;
- Health & Safety Policy;
- Equal Opportunities Policy;
- Anti-Bribery and Corrupt Behaviour Policy;
- Disciplinary Policy;
- Staff Handbook;
- Quality Manual;
- SOP: QA 013 – Corrective and Preventative Action
- Business Continuity Plan

## **MONITORING AND REVIEW**

This policy will be monitored and reviewed every 12 months and will be updated in line with legislative changes as appropriate.

The policy will also be routinely reviewed at our management meetings.

This policy was last reviewed in October 2018.