

## Introduction

B. Braun Medical Ltd understands the challenge of ensuring high social, ethical and environmental standards within its business and throughout its supply chain and is committed to working collaboratively with its suppliers to ensure that these standards are continually improving.

In order to achieve this, B. Braun has developed the Ethical Trading Policy, drawing from the internationally acknowledged ETI base code.

This Policy defines **B. Braun's minimum standards and the basic principles** we expect from ourselves and all our suppliers and contractors. We are committed to ensuring that the standards outlined in the policy are effectively implemented, measured and monitored throughout our global supply chain and we require the support of our suppliers to achieve this goal.

## Ethical Trading Policy

### 1. Employment is freely chosen

- 1.1 There is no forced, bonded, indentured or involuntary prison labour.
- 1.2 Workers are not required to pay fees or lodge "deposits" or original 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

- 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 both trade unions and worker organisations.
- 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

- 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 Health and Safety incidents shall be recorded and maintained, with an action plan to improve performance, minimise hazards and address root causes and such training shall be repeated for new or reassigned workers.

- 3.3 Workers shall receive regular and recorded health and safety training and such training shall be repeated for new or reassigned workers.
- 3.4 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.
- 3.5 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.
- 3.6 Responsibility for health and safety shall be assigned to a senior management representative.

#### 4. Child labour

- 4.1 Suppliers and Contractors may not employ workers under the age of 15 (14 in certain developing countries as designated by ILO conventions)
- 4.2 Suppliers and Contractors must maintain formal documentation that verifies the age of each worker.
- 4.3 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.
- 4.4 Children and young persons under 18 shall not be employed at night or in hazardous conditions.

#### 5. Fair 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 Wages shall be paid directly to the workers, at the agreed intervals and in full.
- 5.4 Overtime must be paid at a premium rate, at a minimum compliant with national legislation.
- 5.5 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

- 6.1 Working hours comply with national laws, collective agreements and benchmark industry standards and provisions outlined below, whichever affords greater protection.

- 6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week\*.
- 6.3 All Overtime is voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and workers as a whole. It shall not be used to replace regular employment.
- 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 The total hours may exceed 60 hours in any seven day period where all of the following are met: it is allowed by national law, it 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 & safety** and 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 for every 7 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 Suppliers and Contractors must comply fully with local laws regarding equality of employment opportunities.
- 7.2 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, subcontracting, 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.
- 8.3 Migrant, contract, part-time and home-workers must receive the same rights, benefits and opportunities as other workers performing similar activities.

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.
- 9.2 All disciplinary actions must be recorded and be fair, proportionate and fully compliant with local laws.
- 9.3 Suppliers and contractors will ensure access to confidential means of reporting inhumane treatment and workplace grievances.

## Implementation of the Ethical Trading Policy


B. Braun Medical Ltd is committed to, not only complying with this Policy within its own business, but to working collaboratively with its suppliers to drive compliance throughout the supply chain. We will support our suppliers and contractors in achieving this objective and will abide by the following principles in order to drive this improvement in ethical performance.

### B. Braun commit to:

- Allocate the required resources in order to fully implement the Policy, including an internal system to record and monitor compliance throughout the supply base to this Policy.
- Assign responsibility for the implementation of this Policy to an appropriately trained management representative who will provide the board, suppliers and other stakeholders with compliance updates and implementation performance as required.
- Work collaboratively with our suppliers, supporting them in the improvement of social, ethical and environmental standards where required and appropriate.
- Commit to full compliance with this Policy within our own business and to ensuring that all relevant employees are aware of the Ethical Trading Policy.
- Acknowledge specific national, regional and cultural challenges that may affect compliance.
- **Recognise suppliers' own standards where they are comparable to our own.**
- Communicate this Policy to all suppliers and contractors and seek formal acceptance and commitment to its implementation.
- Report level of compliance to each supplier and request a comprehensive corrective action plan **be developed, complete with relevant targets and timescales. B. Braun will support suppliers'** through any remediation process and will monitor progress.
- Communicate periodically to B. Braun Medical Ltd employees, management suppliers and publicly the progress towards compliance with this Policy.
- Review the Policy on an annual basis and wherever necessary and appropriate.
- Cease trading with suppliers demonstrating a persistent disregard for this Policy while giving appropriate consideration to the impact this may have on the supplier and community in which they operate.

**B. Braun Medical Ltd requires their suppliers to:**

- Comply with this Policy and all applicable laws in the countries in which they operate. Where standards differ, the standard which offers the greater degree of protection to workers shall apply.
- Allocate the relevant resource for full implementation of the Ethical Trading Policy.
- Communicate the Policy to all employees, suppliers, sub-contractors, home workers and temporary and contract workers engaged in their supply chain (B. Braun will recognise **Supplier's own Policy and standards where they are comparable to our own**).
- Communicate openly and honestly with B. Braun and allow access to documentation and sites as required to determine performance against this Policy.



David Oates

**Group Managing Director**

Jo Carlin

**UK Group HR Director**

**The section below to be signed by the supplier/contractor and a copy of this page returned to B. Braun Medical Ltd (UK).**

I confirm that \_\_\_\_\_ (*\*insert your company name*) understand, and is prepared to work towards full compliance with, B. Braun's **Ethical Trading Policy** with the support of B. Braun Medical Ltd.

\_\_\_\_\_(Signature)

\_\_\_\_\_(Print Name)

\_\_\_\_\_(Date)

\_\_\_\_\_(Title)