

Modern Slavery Statement and Policy

Introduction

Prepex Medical Ltd is committed to addressing the risk of modern slavery within our operations and supply chains. As a company that designs, manufactures, and distributes medical technologies, we recognize that modern slavery—encompassing forced labour, human trafficking, child labour, and exploitation—can occur in complex global supply chains. This statement outlines our approach to identifying, mitigating, and preventing modern slavery risks in line with the **Modern Slavery Act 2015**, focusing on the areas of our business and supply chains where these risks are highest. It also details our policies, key performance indicators (KPIs), and supplier training initiatives aimed at tackling these issues.

Structure of the Business

Prepex Medical Ltd is a global medical device company engaged in the distribution of medical technologies and equipment. We work with a broad range of suppliers and manufacturers, including those involved in raw material sourcing, component manufacturing, logistics, packaging, and other services necessary for the production and distribution of our products. Our operations span across multiple regions, including **Europe, Asia**. Given the global nature of our supply chain, we recognize the need to identify and address areas where modern slavery risks are most likely to exist.

Parts of the Business and Supply Chains Where Risks of Modern Slavery are Highest

Due to the global nature of our business and the variety of industries we source from, modern slavery risks may arise in several parts of our supply chain. Through ongoing risk assessments and regular audits, we have identified the following key areas where modern slavery risks are most pronounced:

1. Raw Material Sourcing

- **High-Risk Regions:** In certain regions such as the **Democratic Republic of Congo (DRC)**, **South East Asia**, and parts of **South America**, the extraction of raw materials like **cobalt, tin, and tantalum** is associated with high risks of modern slavery.
- **Risk Factors:** Workers, often migrant or low-skilled, may be subjected to dangerous working conditions, **debt bondage**, and lack of **freedom of movement**
 - **Mitigation:** We require all suppliers to demonstrate adherence to internationally recognized standards such as the **Responsible Sourcing of Minerals Program**.
 - We engage in **due diligence processes** to trace the origin of raw materials and ensure they are responsibly sourced.

2. Manufacturing and Subcontracting

- **High-Risk Regions:** Countries such as **China, India** and **Eastern Europe** present high risks due to the prevalence of **subcontracting, temporary labour, and migrant worker exploitation** in the manufacturing sector.
 - **Risk Factors:** **Subcontracted labour** can obscure visibility and accountability regarding working conditions, leaving workers vulnerable to exploitation and coercion.

- **Temporary migrant workers** in the manufacturing sector are often at risk of exploitation due to **excessive working hours, poor working conditions, and lack of legal protections**
 - **Mitigation:** Prepex Medical Ltd shall conduct **social audits** and require that all suppliers comply with our **Supplier Code of Conduct**, which explicitly prohibits forced, bonded, and child labour.
 - We shall also provide training for suppliers on the importance of adhering to ethical recruitment practices and maintaining proper documentation for all workers.
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3. Agricultural Supply Chains

- **High-Risk Regions:** Agricultural supply chains, especially those providing materials such as **rubber, cotton, and wood pulp** for packaging, are particularly vulnerable to exploitation in regions such as **South East Asia** and **West Africa**.
- **Risk Factors:** These sectors are at risk of **child labour, forced labour, and discrimination**. Migrant workers in agriculture are often subjected to **coercive recruitment practices** and **unsafe working conditions**.
 - **Mitigation:** We shall prioritize to only work with suppliers who are **Fair Trade certified** or **certified under equivalent ethical standards**.
 - Our **supplier contracts** include strict **provisions against forced and child labour**, and we ensure that all suppliers adhere to **international labour laws**.

4. Logistics and Freight Forwarding

- **High-Risk Regions:** In certain regions such as **South Asia, Eastern Europe, and parts of Africa**, logistics operations may involve the exploitation of **migrant workers** or **temporary workers** who are vulnerable to forced labour and trafficking.
 - **Risk Factors:** Migrant workers in logistics and transportation services are vulnerable to **coercive recruitment fees, unsafe working conditions, and lack of freedom of movement**.
 - **Mitigation:** we partner only with logistics companies that adhere to ethical labour practices and conduct **due diligence** to ensure workers are treated fairly and ethically.
 - **Regular audits** are conducted for all logistics suppliers to ensure they comply with our **supplier code of conduct**.

Modern Slavery Policies and Code of Conduct

Prepex Medical Ltd has developed a robust set of policies and procedures to address modern slavery risks within our operations and supply chains. Our **Supplier Code of Conduct** outlines the key provisions that we expect all our suppliers to adhere to, ensuring that modern slavery is prevented. These provisions include:

1. Adherence to Local and National Laws

- We ensure that all suppliers comply with local labour laws, national regulations, and international conventions related to human rights, including the **International Labour Organization (ILO)** conventions and the **UN Guiding Principles on Business and Human Rights**.

2. Freedom of Workers to Terminate Employment

- Workers must have the freedom to leave employment at any time, in accordance with the terms of their contracts, without facing penalties or coercion.

3. Freedom of Movement

- Workers must not be restricted in their movement or confined to specific areas within the workplace or their accommodation, ensuring they have the ability to leave freely and without fear.

4. Freedom of Association

- We respect workers' rights to freely form or join trade unions and engage in collective bargaining without fear of retaliation or intimidation.

5. Prohibition of Violence, Harassment, and Intimidation

- Any form of **violence, harassment, or intimidation** (whether physical, psychological, or emotional) is strictly prohibited in all parts of our supply chain.

6. Prohibition of Worker-Paid Recruitment Fees

- Prepex Medical Ltd has a zero-tolerance policy regarding **worker-paid recruitment fees**. Any fees associated with hiring workers must be borne by the employer or recruitment agency, not the workers themselves.

7. Prohibition of Compulsory Overtime

- We prohibit compulsory overtime. Any overtime worked must be voluntary, with workers being appropriately compensated as per local labour laws.

8. Prohibition of Child Labour

- Prepex Medical Ltd has a zero-tolerance policy for **child labour**. We adhere to the **minimum age requirements** set forth by local laws and international standards, ensuring that no workers under the age of 15 (or the legal working age) are employed.

9. Prohibition of Discrimination

- We ensure that all workers are treated equally, without discrimination based on **race, gender, sexual orientation, religion, disability**, or any other protected characteristic.

10. Prohibits Confiscation of Workers' Original Identification Documents

- Workers must not have their **original identification documents** (such as passports, national IDs, or work permits) confiscated by employers or recruitment agencies. These documents must remain in the workers' possession at all times to ensure **freedom of movement**.

11. Access to Remedy, Compensation, and Justice for Victims of Modern Slavery

- Workers who are victims of modern slavery are entitled to **remedy, compensation, and access to justice**. Prepex Medical Ltd shall work with local authorities and NGOs to ensure victims of modern slavery can receive the appropriate support and compensation.

Training High-Risk Suppliers on Modern Slavery Policies

Prepex Medical Ltd ensures that all suppliers, particularly those in high-risk areas, are fully trained on modern slavery policies and are equipped to address and mitigate any potential risks. This training includes the following components:

1. Modern Slavery Awareness

- High-risk suppliers are provided with training on the definitions of modern slavery, its signs, and the legal implications. They are also educated on the importance of ethical recruitment practices and safe working conditions.

2. Supplier Code of Conduct

- Suppliers are trained on our **Supplier Code of Conduct**, which outlines our expectations regarding workers' rights, fair treatment, and compliance with anti-slavery legislation.

3. Monitoring and Reporting Mechanisms

- Suppliers are informed of the **grievance mechanisms** available to workers and are trained on how to report any instances of suspected modern slavery or exploitation within their operations. This includes anonymous reporting channels that allow workers to raise concerns safely.

Assessing Purchasing Practices and Their Impact on Modern Slavery

Prepex Medical Ltd regularly assesses how our **purchasing practices** may inadvertently place pressure on our suppliers, potentially leading to modern slavery risks. Key factors include:

1. Price Pressure and Payment Terms

- We review whether our pricing and payment terms may lead suppliers to reduce labour costs or exploit workers in order to maintain profitability. We aim to set fair pricing that reflects the true cost of production while ensuring ethical labour practices are upheld.

2. Volume of Orders and Delivery Schedules

- We assess whether high-volume orders or unrealistic delivery schedules force suppliers to adopt exploitative labour practices to meet deadlines. We work closely with suppliers to set realistic order volumes and delivery timelines that allow them to operate ethically.

3. Supplier Capability and Resources

- We evaluate whether our suppliers have the **capacity** and **resources** to comply with our modern slavery policies. If needed, we provide support to help suppliers build their capability to meet our ethical standards.

Investigating Modern Slavery Risks in Our Supply Chain

We continuously monitor our supply chain to identify and investigate modern slavery risks. This includes:

1. Auditing and Due Diligence

- We conduct **regular audits** of high-risk suppliers to assess their compliance with our modern slavery policies. These audits include on-site inspections, worker interviews, and document reviews. Suppliers are required to take corrective actions if violations are found.

2. Third-Party Audits

- We partner with **third-party audit organizations** to conduct independent audits of our suppliers, ensuring impartiality and thoroughness in assessing modern slavery risks.

3. Continuous Improvement

- We encourage a culture of continuous improvement by regularly reviewing and updating our supply chain monitoring processes and policies to better address modern slavery risks.

Key Performance Indicators (KPIs)

Prepex Medical Ltd tracks the following KPIs to measure our progress in tackling modern slavery:

1. **Supplier Training Compliance Rate:** Percentage of high-risk suppliers who have completed training on modern slavery and our Supplier Code of Conduct.
 - **Target:** 100% completion annually.
2. **Audit Compliance Rate:** Percentage of suppliers that pass social compliance audits with no critical findings related to modern slavery.
 - **Target:** 90% compliance rate.
3. **Number of Modern Slavery Incidents Reported:** Monitoring the number of **reported incidents** of modern slavery or human trafficking within our supply chain.
 - **Target:** Zero incidents, with ongoing monitoring and reporting.
4. **Corrective Action Plans:** Percentage of suppliers who implement corrective actions within 90 days after an audit reveals violations.
 - **Target:** 100% implementation.

This Modern Slavery Statement and Policy has been approved by the Board of Directors of Prepex Medical Ltd. The Board is responsible for overseeing the implementation of this statement and ensuring that the company complies with its obligations under the Modern Slavery Act 2015.

Signed on behalf of Prepex Medical Ltd:

Kingsley Ejiogu

Director

27 Nov 2024