

Labour Standards Assurance System for Healthcare Products (LSAS)

Introduction

It is the policy of the MonoSol Group to conduct business in a manner that protects the health and safety of our employees, the communities where we operate, and the environment. MonoSol AF Ltd. (hereinafter called MonoSol UK) encourages ethical and transparent business practices and an open and honest dialogue with all relevant business parties. This document forms part of that ethos and relates to our business relationship with the NHS supply chain and having a LSAS.

The MonoSol Group is part of a larger company, Kuraray Co., Ltd. This policy is to be used in conjunction with the Kuraray Group Compliance Handbook and the MonoSol Code of Conduct (UK Edition), both of which have been made available internally on a shared computer network and on notice boards. Documentation relating to the LSAS policy can be found in its Electronic Quality Management System (EQMS).

Should any employee have concerns, the MonoSol UK HR department or the employee's line manager are available to discuss. Access is provided to all employees for reporting concerns at the MonoSol Group Hotline 001 855 846 6572, and www.monosol.ethicspoint.com

Aims

The aim of the LSAS policy is to promote understanding and awareness of employment laws and ethical standards applicable to LSAS. By releasing our LSAS policy to all levels of our supply chain for healthcare products, we aim to encourage ethical practices. MonoSol UK is committed to acting ethically and with integrity in all our business dealings and relationships by reviewing relevant laws, setting standards to reflect ethical expectations. MonoSol UK is also committed to continually improve systems and controls to promote minimum labour standards both internally and in supply chains.

MonoSol UK's objectives are to:

- Complete introductory training for all staff involved in its LSAS policy by March 2018
- Compliance with relevant LSAS requirements
- Tier 1 Suppliers of resources used for NHS supply chain products will be notified of their obligations as part of the NHS supply chain to comply with LSAS (Level 2) by August 2018
- Encourage suppliers in this supply chain to develop their own labour standards system and provide guidance and support towards this effort by December 2019

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Policy Statement

The LSAS policy is for MonoSol UK to:

- Comply with all employment laws relevant to its businesses
- Comply with the Health and Safety Act of 1974
- Comply 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 applicable international, national and local law and practice
- Encourage suppliers to comply with LSAS policy

Management Representative

The sales manager responsible for the NHS supply chain account acts as MonoSol UK's management representative and is assigned administrative authority to implement the LSAS policy.

The management representative will liaise with MonoSol UK's company secretary to continue to implement the LSAS policy and report new developments to senior management.

The management representative is also expected to:

- Develop procedures to meet the LSAS policy requirements
- Implement training for MonoSol UK's staff involved with the LSAS policy
- Liaise with companies in its supply chain to undertake to implement a plan of action in line with LSAS policy where necessary
- Review and strive to improve the LSAS policy
- Communicate labour standards issues to senior management

MonoSol UK commits to provide sufficient resources to support this policy implementation.

Labour Standards Status Review

MonoSol UK commits that when contracting new suppliers and during routine visits to established ones, to communicate the LSAS policy expectations and their need to comply within a timescale deemed appropriate by the management representative in cooperation with supply chain senior management.

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Legal Requirements

MonoSol UK commits to continued legal education to be made aware of changes to relevant employment law through the use of both internal and external HR specialists. Relevant employment law to MonoSol UK is outlined in its Employee Handbook which, according to its HR procedure, all new MonoSol UK employees sign.

We recognize that if a supplier was found to be using unethical or illegal labour programs, it is unacceptable and may necessitate contacting the relevant authorities.

Competence, Training and Awareness

MonoSol UK commits to the training of relevant staff (those in procurement for the NHS supply chain and their supervisory or junior managers) regarding this LSAS policy so they:

- Understand the MonoSol UK NHS supply chain
- Are in a position to contact suppliers and build a relationship with them
- Understand LSAS policy requirements
- Have access to resources to comply with their duties under the LSAS policy
- Are able to visit MonoSol UK suppliers in support of the LSAS policy
- Can assist the management representative with policy development as applicable to their role within MonoSol UK

Operational Control

In order to facilitate the implementation of the LSAS policy, MonoSol UK has identified three control points: (1) use of a supplier approval process for healthcare products, (2) regular checks of procedures in use with these suppliers through surveys, and (3) on-site visits of applicable suppliers.

Supply Chain Management

MonoSol UK strives to apply the labour standards of the policy in the company's supply chain through the distribution and communication of the LSAS policy along with the role of management representative. New suppliers must meet MonoSol UK's initial approval process and are expected to maintain this standard as part of their contract assessment to comply with LSAS policy. Compliance reviews of any supplier in the healthcare products supply chain may be undertaken at routine visits to suppliers. All relevant documentation from these reviews will be recorded in EQMS.

Emergency Response

An emergency response situation arises when MonoSol UK learns that a supplier in the healthcare products supply chain has failed to comply with the LSAS policy. In such a situation, a written Corrective Action Request (CAR) should be agreed upon among the parties involved within 10 working days. If no CAR is agreed, then alternative resourcing from within MonoSol UK's existing supplier chain will be sought within 20 working days of the determination of such failure or MonoSol will offer guidance and work together with the supplier so that the minimum requirements are met in a timely manner.

Performance Monitoring and Measurement

MonoSol UK commits to monitoring performance of the LSAS policy and reporting to senior management on a regular basis, assessing its progress and setting new relevant targets in addition to those stipulated in this policy, to ensure the progression of the LSAS policy against its objectives.

Progression of parties in the supply chain will be monitored and measured as described herein. MonoSol UK will review this progress, to determine whether the company is on target to reach its objectives and to ensure these objectives are still appropriate.

Management Review

The management representative will review the LSAS policy at planned intervals for its continuing suitability, adequacy and effectiveness. MonoSol UK may revise this LSAS policy at any time.

Senior management will review the LSAS policy at least annually.

Signed on behalf of MonoSol AF, Ltd



Neil Arrowsmith
Company Secretary
9th July 2018