

THE DOCTORS LABORATORY

Modern Slavery Transparency Statement

This Modern Slavery and Human Trafficking Statement under Section 54 of the UK Modern Slavery Act covers TDL's financial year to 30/06/2020. It outlines the steps that TDL has taken to assess and address the risk of modern slavery in our business and supply chains. The statement will be reviewed and published annually on our websites.

Modern slavery is a broad term that encompasses slavery, servitude, forced and compulsory labour and human trafficking.

About our business and supply chains

The Doctors Laboratory (TDL) is a medically-led laboratory, established in 1987. It is the largest independent provider of clinical laboratory diagnostic services in the UK. We provide our customers with the laboratory information required for diagnosis and treatment of medical disorders.

TDL's parent company, Sonic Healthcare Ltd (Sonic), is an Australian clinical diagnostic organisation employing over 36,000 people, with a turnover (in 2019) of approximately AU\$6.2 billion per annum.

TDL works with over 750 suppliers, with the majority based in and manufacturing in the UK and Western Europe, with a small number of Tier 1 suppliers based in North America and Asia. We primarily source highly technical and specialised lab equipment, together with high-volume lab consumables. Our supply chain includes a large UK courier network, facilities management and locum agency partners.

Policies and due diligence on modern slavery for our business and our supply chains

TDL is committed to trading ethically, with zero tolerance for modern slavery (including forced labour or human trafficking of any kind), human rights violations, and child labour. As a healthcare company, this respect and commitment to respecting human rights and upholding labour standards is central to the success of our business in all the communities in which we operate.

We adhere to Sonic's global [Labour Standards & Human Rights Policy](#), which is aligned with the principles established within the Universal Declaration of Human Rights and in combination with Sonic's [Core Values](#) and [Code of Conduct](#), reinforces the commitment to ensuring all internal and external stakeholders are treated with dignity and respect.

As a core part of due diligence when entering into acquisitions, new operations and other contractual arrangements, we abide by the requirements set out in this document to ensure any labour standards and human rights issues are identified and assessed. Sonic's [Supplier Policy](#) applies to all supplier relationships and sets out a similar set of expectations for all TDL suppliers, including:

- adherence to all relevant laws and regulations in relation to non-discrimination, equal opportunity, sexual harassment and human rights;
- ***not using any form of bonded, slave or child labour;***
- maintaining a blame-free work environment where employees are encouraged to report misconduct, illegal or inappropriate behaviour free from any threat of reprisals or other adverse consequences;
- providing and supporting freedom of association for employees to join trade unions and other employee representative groups and for those groups to bargain collectively on behalf of employees;
- employing only those individuals with a legal right to work in that jurisdiction;
- complying with all relevant laws and regulations in relation to legal minimum rates of pay and other conditions of employment for workers, such as fair working hours, meal and rest breaks and other conditions designed to enhance employee health and safety;
- prohibiting physical abuse, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation in both the workplace and in relationships with customers;
- treating staff fairly and equitably, including providing written confirmation of their terms and conditions of employment; and
- ensuring all employee entitlements and prescribed conditions of employment under relevant laws and regulations are adequately implemented and accounted for

In addition to the above policies, TDL has incorporated modern slavery due diligence into new supplier approval procedures. This process particularly seeks to understand the organisation's understanding of and commitment to labour standards, any specific approaches they have to addressing modern slavery, and particular procedures around temporary and agency related labour (which has been identified as a higher-risk indicator of modern slavery in our risk assessments).

We maintain a modern slavery risk-rating for all suppliers, with follow-up procedures and deeper information required for medium or high-risk suppliers. TDL reserves the right to audit or inspect high-risk suppliers against their commitments under the supplier policy. We are committed to working with suppliers to support necessary improvements; however, we will also take action if suppliers and sub-contractors do not meet our standards. The risk rating and follow-up were rolled-out through 2019-20 to our entire supply base and we continue to engage with suppliers and update their responses as required.

A whistleblowing policy is communicated to all staff to raise any modern slavery related concerns.

Our policies and due diligence processes are all informed by and based on international best practice standards and industry guidance including ILO standards, UK Government and NGO Modern Slavery Act Guidance, the Ethical Trading Initiative Base Code, CIPS and the Ethical Procurement for Health Workbook 2.0.

Assessing and addressing the risk of modern slavery

TDL is committed to a detailed response of identifying and mitigating modern slavery risks in our supply chain. During 2019-20, we reviewed and further updated our policies, supplier procedures and due diligence process to incorporate modern slavery risks.

While there have been no identified incidence of modern slavery in our own business, or in our supply chains, in 2018 TDL undertook a detailed risk assessment of our supply chain including specialist equipment and consumables, locum and temporary agency providers, couriers, facilities providers, construction, IT and professional service providers. Suppliers are rated as being Low, Medium or High risk based on a number of factors including the risk of modern slavery in the product manufacture or product source country, use of sub-contracting or temporary and agency labour and supplier due diligence responses.

Professional Services, Referral Labs and IT Supply were all assessed as being low-risk and will still be monitored, but do not form part of the formal risk-rating framework.

Potential risks were identified in the use of temporary or agency labour, including courier providers, and in a small number of high-volume consumable manufacturers.

We engage all new and existing suppliers via a due diligence questionnaire to understand their approach to identifying and addressing modern slavery risks. A clear process is in place for following-up with any suppliers who are deemed medium or high-risk to better understand their approach, any gaps or non-conformance and any further action required.

Training and awareness for our staff and suppliers

Staff: We provided modern slavery training and workshops for key staff in HR, Procurement, Operations, Facilities Management, Legal and Finance in 2018 at the launch of the program. In addition, we have communicated TDL's commitment and approach to addressing modern slavery with all staff through our regular employee newsletters. During 2019-20 we incorporated modern slavery training and an overview of TDL's approach into our employee induction procedures. We are launching e-learning training for all procurement and FM staff in Q3 2020.

Board: We have undertaken Modern Slavery Governance Briefings with our Board to provide modern slavery awareness training and report to the board annually on our modern slavery commitments and progress.

Suppliers: We aim provide all medium and high-risk suppliers with a more detailed overview of TDL's commitment to addressing modern slavery, and what actions they can take including how to raise any issues including links to the UK Modern Slavery Helpline. We also signpost key resources to enable them to further develop their own approaches, including British Medical Association, CIPS, and ETI Guidance.

Effectiveness of our approach

We will continue to review our performance in addressing modern slavery risks and will publish our performance against appropriate KPIs in our annual Modern Slavery Statement. During 2019-20 our key KPIs were:

Reporting year	% Suppliers engaged with to undertake MDS due diligence	% Supplier who have completed MDS due diligence	% Suppliers rated as Medium or High-Risk	% Medium or High-Risk suppliers followed-up with for further information/action
2019-20	100%	46%	8%	100%

We recognise that for some of our suppliers compliance with MDS legislation is a relatively recent obligation; nevertheless we have set ourselves the target of increasing the proportion of our suppliers who satisfactorily complete MDS due diligence in the year ahead. We have strengthened our team responsible for supplier monitoring to assist this process. Our Chief Executive holds overall responsibility for these policies and our approach to addressing modern slavery risks. This statement has been approved by the board of TDL.

David Byrne

Chief Executive

June 2020