

Modern Slavery & Human Trafficking Statement



a PHOENIX company

Who we are

The PHOENIX Pan European Group is one of the leading pharmaceutical distribution companies in Europe employing approximately 36,000 people. With 164 distribution centres and over 2,500 pharmacies across 27 European countries, the PHOENIX Group vision is to be the best integrated healthcare provider wherever it is active. This means providing the best possible products and services throughout the entire pharmaceutical supply chain.

PHOENIX Medical Supplies Limited (PHOENIX UK) was established in November 1998 and is the Head Office for the PHOENIX Group's UK operation based in Runcorn Cheshire, specialising in medicine distribution, pharmaceutical care and pharmacy based primary care services. We work in partnership with the NHS, healthcare commissioners and providers as well as pharmaceutical manufacturers.

PHOENIX UK supports each of its subsidiary operations including retail pharmacy and pharmaceutical wholesale. PHOENIX UK employs over 6,000 people who provide support to the 25 million patients who visit our owned and member pharmacies each year. Strategic and corporate support to all our UK sites is provided centrally from our UK Head Office.

The PHOENIX UK Group comprises of several trading entities (plus brands operating within those entities) with strong and established reputations across the primary and secondary care sectors.

PHOENIX Healthcare Distribution Ltd (PHD): national pharmaceutical wholesaler with 'Four Nation' coverage in the UK and a network of 13 depots. PHOENIX distribution centres support our customer's daily requirements and our local teams are supported by centralised corporate functions at our UK Head Office. We pride ourselves on delivering a high quality supply chain service across our business. The depots source and supply retail pharmacies, dispensing and non-dispensing practice, hospitals, doctors surgeries and nursing homes in their area with controlled/ prescription drugs.

PHD is a member of the Healthcare Distributors Association (HDA), all depots are Medicines and Healthcare products Regulatory Agency (MHRA) accredited and comply with ISO Quality and Environmental standards (Depots are registered to ISO 9001, and in February 2009, PHD was registered to ISO 14001:2004 for its Environmental Management Systems).

L Rowland & Co (Retail) Ltd (Trading as Rowlands Pharmacy): managed chain of pharmacies in the UK based in England, Wales and Scotland, and is wholly owned by PHOENIX UK. Rowlands is the fourth largest pharmacy chain in the UK.

Numark: is a trading division of PHD and is one of the largest and longest established pharmacy membership organisations in the UK with members ranging from single store pharmacies to large chains.

PSUK: is a trading division of PHD and is the largest dispensing doctor membership organisation in the UK and the largest pharmaceutical supplier to prescribing only practices in England and Wales.

Nupharm: Owned by PHOENIX UK. Its main business activity is Parallel Importation and repacking of pharmaceutical products from across Europe. Nupharm allows PHOENIX UK to competitively purchase products from markets. Nupharm operates to the strict requirements laid down by the Good Manufacturing and Distribution Practice (GMDP) and the Home office Requirements for Controlled Drugs.

NuCare: owned by PHOENIX UK, working in partnership with pharmacies, GPs and nurses to support patients with a full range of incontinence, ostomy and wound care services and products.

The PHOENIX UK Modern Slavery & Human Trafficking Statement 2020

Foreword by **Steve Anderson**,
UK Group Managing Director, PHOENIX UK

This statement is made pursuant to Section 54 of the Modern Slavery Act 2015 and constitutes our anti-slavery and human trafficking statement. As one of the leading pharmaceutical wholesalers within Europe, the PHOENIX Group adheres to the principles of the United Nations' Universal Declaration on Human Rights as part of its corporate activities.



PHOENIX UK is committed to ensuring that human trafficking and slavery do not exist in any area of our organisation, nor within any company which forms part of our supply chains. As part of this commitment, the PHOENIX Group has implemented its own Supplier Code of Conduct based on internationally recognised social, ethical and environmental criteria for the procurement of indirect and trading goods.

In addition we are committed to creating and ensuring a non-discriminatory and respectful working environment for our colleagues. Our management processes are designed to ensure that all colleagues are legally entitled to work in the UK and we have measures in place to safeguard colleagues from any abuse or coercion once in our employment.

'Ultimately, as a responsible company, we believe that long-term sustainability and success of our employees is inextricably linked with social responsibility, economic growth and environmental accountability'

We continue to build on our achievements as a company: promoting and fostering a culture of openness, trust and integrity. Our Company policies, including the Code of Conduct, encourages colleagues to raise concerns should they have them. As a responsible company, we believe that long-term sustainability and success of our employees is inextricably linked with social responsibility, economic growth and environmental accountability.

By continuing to work closely with our employees, partners and suppliers, we hope to further develop strategies and improve working practices (particularly within supply chains) across the PHOENIX UK Group.

This statement was approved by the Board on 27 August 2020.

A handwritten signature in black ink, appearing to read 'S. Anderson', written in a cursive style.

Steve Anderson
August 2020.



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Our Commitment - to ensure:

- That human rights are promoted and championed within our business, with our suppliers and across our supply chain
- That our suppliers hold a similar ethos and practical commitment to human rights and anti-slavery
- That no human trafficking or slavery exists within any part of our business or that of our supply chain
- That clear and robust standards of good governance are being implemented and maintained throughout our business and those of our suppliers
- A sustainable business that is both commercially successful yet socially and environmentally responsible

Our business

As a responsible company, we seek to carry out all reasonable and practicable steps (including desk-top and onsite audits including warehouse inspections) to ensure that the necessary standards are being adhered to, not only throughout our company, but in particular the businesses of our suppliers.

As a pharmaceutical wholesaler and retailer, our industry is heavily regulated and consequently we are obliged to meet exacting standards as part of both government legislation (such as MHRA and Home Office) as well as industry regulation. Moreover, our own customers (and some suppliers) are increasingly asking for copies of our codes of governance as part of benchmarking or tendering processes.

As a company, we are also subject to both frequent internal and external operational and financial audits. Therefore, a clear and adequate framework, promotion of good governance practice and compliance across the company are all key factors in helping us to manage our business, suppliers and supply chain.

Our policies and controls

At a PHOENIX Group level, we have established a European-wide compliance strategy with associated processes and policies implemented by local Compliance Managers in each country where PHOENIX is based.

This European-wide compliance strategy is based upon 3 main policies:

- Code of Conduct
- Anti-Corruption & Bribery
- Competition Compliance

It includes an online training programme to help raise awareness of these policies amongst our employees.

In addition, we have a PHOENIX Group web-based case reporting system open to both employees and external parties (<https://phoenixgroup.integrityplatform.org/>) where any concerns, suspicions or violations of any kind can be reported anonymously. Such reports are thoroughly investigated and followed up at both UK and Group level.



Assessment of suppliers and supply chain

- Full due diligence standardised processes are performed on all new suppliers and their sub-contractors when tendering for contracts via value based assessments such as VAT and Company House checks. This process also includes requests for CSR policies, checking for appropriate insurance coverage, obtaining documents regarding qualified personnel, systems of work and risk assessments.
- All Pharma manufacturer contracts are reviewed prior to any agreement along with their performance, KPIs, supply chain and terms and conditions. New suppliers are also obliged to complete a 'New Supplier' questionnaire - including a regulatory checklist (relating to MHRA Wholesale Dealer's and Home Office Controlled Drugs licenses).
- Manufacturer suppliers are also expected to complete a 'Supplier Site Self-Inspection' form which includes questions regarding counterfeits, product sourcing, audits/appraisals of their suppliers as well as training.
- Regular checks and audits are carried out on existing suppliers via a 'contractor assessment questionnaire' regarding performance and service.
- All contracts follow a process: wherever possible, all external third parties are expected to sign our standard terms and conditions. Automatic inclusion of standard clauses in all company contracts: CSR, data protection and compliance clauses such as code of conduct and anti-bribery and corruption.
- Suppliers are obliged to notify PHOENIX UK if they use sub-contractors whilst PHOENIX UK operates a policy of not using third tier contractors.
- Training records are requested as part of audits to ensure sub-contractors are adequately trained.
- Suppliers are requested to advise of any changes to contracts and/or working practices.
- Poor performing suppliers are reviewed for improvement – failure to do so will result in delisting as preferred supplier or removal from tendering process.
- Robust recruitment policies in place to ensure all current and prospective employees are treated fairly and consistently in regard to recruitment and selection of candidates.
- Contracts and agreed rates of pay for temporary staff in place with preferred agencies.
- Union recognition and freedom of association and collective bargaining.
- The PHOENIX Group publishes an annual Corporate Social Responsibility (CSR) Report (latest 2018/2019 edition can be found at <http://www.myp-i-n.co.uk/>), which focuses on the PHOENIX ESG achievements and goals for the forthcoming financial year. (NB: our financial year end is 31 January).

Identifying and managing compliance risks

- **Use of Sub-Contractors:** voluntary self-auditing by suppliers to complete a 'Sub-Contractor' questionnaire, however, suppliers are obliged to notify PHOENIX that they use sub-contractors as part of any agreement
- **Use of Pre-Wholesalers:** (third parties logistic companies employed by manufacturers) who deliver goods and therefore are not necessarily subject to PHOENIX UK checks and audits. Awareness of this issue has been raised, with plans to ensure greater compliance amongst third party companies.

Looking ahead

In 2017, the PHOENIX Group implemented the recommendations of an internal working group along with various sustainability criteria into our strategic procurement processes. These included adoption of the Group's own Supplier Code of Conduct (based on internationally recognised social, ethical and environmental measures) for the procurement of indirect and trading goods.

Within our Supplier Code of Conduct, we support the recognition of the United Nations' Universal Declaration of Human Rights, banning child and forced labour, all forms of discrimination as well as the right to observe regulated working hours and right to freedom of association.

The PHOENIX Group has also made it obligatory for our business partners to adhere to the UN Universal Declaration of Human Rights.

We also ask that our business partners commit to meeting occupational health and safety for their own employees, combat corruption, make continuous improvements to environmental protection and observe the best practice relating to social, ethical and environmental standards.

The PHOENIX Group has a web-based case reporting system which allows suspicions or incidents to be reported anonymously.

Training programme for all company employees

The PHOENIX Group places a great deal of importance on training and development within the organisation. Including regular training on anti-corruption and bribery, data protection, competition and sanctions compliance as well as individual reporting obligations.

In addition PHOENIX UK provides all employees with online access to a variety of training packages – including cyber security compliance, health and safety.