



Labour Standard Manual Master Copy

This manual is defined as the top level document that defines the overall Quality Management System operated within Flexicare Medical Limited.

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Revised Record

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02	30 th Jan 18	Updated section 13.1	Management Team
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1.0 Scope

- 1.1 Flexicare's core business activities revolve around the supply of single use and reusable medical devices to the healthcare sector worldwide. We have a global supply chain with manufacturing, suppliers and distributors located internationally.
- 1.2 This document outlines the policies, procedures and requirements of Flexicare's LSAS. The policy is therefore structured to comply with our legal obligations in relation to employment contracts.

2.0 Distribution

- 2.1 The LSAS will be distributed to all staff within Flexicare (Group) Limited
- 2.2 Additional copies are distributed to senior officers within our client organisations as requested.

3.0 Policy for Minimum Labour Standards

- 3.1 Flexicare recognises its social obligations as a responsible employer and that it has a responsibility to not only treat its staff fairly and without prejudice but to work with the supply chain to ensure that employment standards are met and maintained by all of our suppliers.

In acknowledging its social responsibility, Flexicare has established a labour standard policy to deliver ethical business activities appropriate for employees, customers and for anyone else involved in our business delivery process.

Definition

- 3.2 This policy is developed in order to meet the guidelines and standards established by United Kingdom Labour Law, World Trade Organisation (WTO), International Labour Organisation (ILO) and National Health Service (NHS) supply chain code of conduct. All these strategic frameworks provide a guideline on the legal relationship between employees, trade unions and employers.
- 3.3 Enforcement of the law is based on core (or minimum) standards that provide protection to employees and provides guidelines for employers to implement the standards in all business activities. This policy is relevant to the company's functions, its activities with subcontractors, suppliers, distributors and all others involved in business supply chain. To ensure the minimum business standards are being applied while working across boundaries, Flexicare will assess the minimum/core standards for the country of origin of all its suppliers, contractors and subcontractors involved in the supply chain.
- 3.4 Flexicare has developed policies to reflect core standards described by law and summarised below:
- employment policy (payments, working hours, protected pay TUPE redundancy, employment rights absence and sickness);
 - child labour/forced labour;
 - collective bargaining;
 - gifts/ negotiations/bribery;

- health and safety;
- environment;
- business ethics
- equality and diversity.

4.0 Policy Compliance

4.1 Flexicare accesses the Social Accountability International (SAI) website, access Direct.gov and conducts audits to ensure that activities are in line with the labour standards adopted by the organisation. This policy is therefore developed with the intention of complying with WTO, ILO and local laws for labourers and ensures these standards are maintained by our supply chain partners across the world. The above core standards reflect the guidance from the following Acts of Parliament/European Union regulations to ensure Flexicare's commitment and compliance with the legislations below:

- National Minimum Wage Act 1998;
- Working Time Regulations 1998;
- Employment Rights Act 1996;
- Transfer of Undertakings (Protection of Employment) Regulations 2006;
- Pension Act 2004;
- Health and Safety Act 1974;
- Minimum age ILO convention 1979; and
- Equality Act 2010.

5.0 Scope of the policy

5.1 The policy covers all operations carried out by Flexicare, including day-to-day activities carried out nationally or internationally. However, the policy is structured and implemented recognising Flexicare's status as an SME, as defined by EU law.

6.0 Resource

6.1 Appropriate financial resources will be made available to ensure that the policy is implemented and maintained within the business.

7.0 Management of Policy

Terms of Reference

7.1 This policy is approved and reviewed on an annual basis by the Managing Director who provides overall lead for improving working standards. In order to embed and implement the policy, management has identified a dedicated team comprising of the Managing Director, Quality Director, Supply Chain Manager and HR Manager.

7.2 A review will be presented to the Flexicare management team every quarter. The policy implementation is also audited by external auditors on an annual basis. Reports arising from this audit would be presented to the management team for the purpose of identifying gaps and improving processes.



8.0 Enforcement of the policy

8.1 To reflect and ensure Flexicare's commitment to labour law, this policy will be implemented across all business activities, including those associated with the supply chain. This policy has been agreed with, and sent to, all contractors working with Flexicare.

8.1 To ensure that minimum labour standards are followed, Flexicare has established an action plan to review labour standards and ensure quality implementation of these standards. This will cover minimum wage, eligible age, working hours, payment process and cover for holidays and sickness. This action plan is detailed in Table 8.1 below and will be reviewed annually.

Table 8.1 Flexicare Medical LSAS action plan 2017

Objective	Minimum standards	Flexicare Medical activity	Timescale
Monitor compliance with minimum labour standards	Establish targets and standards across key areas of LSAS.	Regular monitoring of targets	Aug 2017
	Flexicare is against child or forced labour and avoids business with companies suspected to be involved in forced /child labour.	Flexicare will require all partners to agree to uphold minimum Labour standards within their company	ongoing
	All aspects of Flexicare's supply chain are to be made aware of and agree to uphold Flexicare's labour standards policy.	A statement and audit questionnaire will be put together to ensure all supply chain partners understand and comply with Flexicare's Labour standards policy.	ongoing
Establish Collective Bargain	Flexicare will not discriminate the political affiliation or connection with the trade union of any employee.	To update our handbook and processes to formally recognise collective bargaining	2017
Working with business partners	Maintain relationship with other businesses and the supply chain.	All business will have formal contracts to sign. For example, distributor registration forms, subcontractors/ consortia formation.	End 2017



9.0 Business Continuity and Risk Strategy

9.1 To ensure that all core standards defined in the policy are met and implemented, Flexicare has carefully assessed its objectives against known risks, and identified a continuity plan. Table 9.1 identifies the risks in the following broad categories:

- internal/corporate risks (change in policy, inability to review/implement policy due to resources); and
- external influences (influence of international law or practice e.g. EU)

Type of risk	Risk definition	Level of risk	Contingency/ actions
	Adaptation to changes in labour standards may result in an inability to meet updated standards.	High	Flexicare Medical has subscribed to SAI (Social Accountability International). Flexicare has information on training courses, conferences, relevant websites and forums to keep up-to-date with labour standards.
	Language barrier with the suppliers can hinder the business communication	Low	Flexicare communicates with our supply chain partners in their local language or in English.
External risks	Labour standards abuse in supply chain pose a risk to the quality of goods.	High	The contractual agreement stipulates legal action if any terms and condition are not fulfilled. All suppliers are subject to EU labour laws.
	Any practice in supply chain abusing the labour standards presents risks of losing good will and business due to bad publicity.	High	All businesses in the Flexicare supply chain are asked to provide quality certificates and relevant documents, followed by a regular onsite audits.
	Brexit	Medium	The ramifications of Brexit are not yet known and changes to EU/UK law could impact labour standards. We will monitor this situation over the next 18 months and take steps accordingly.



10.0 Legal and other requirements

10.1 Flexicare will periodically review this policy in order to continually improve, taking into consideration changes in legislation and other requirements to which the company subscribes. This will ensure the adequacy, suitability and continuing effectiveness of the policy. The Managing Director is the champion of this policy and ensures that it is up to date, ensures its implementation and its compliance with relevant business and human rights legislation. The process for reviewing the policy is detailed below.

- All relevant human right and employment legislation is reviewed on 6-monthly basis.
- Flexicare subscribes to the SAI (Social Accountability International).
- Any updates or new initiatives are added to the policy after formal consultation and review, then approved by the management team.
- Policy is circulated, read and understood by all policy leads.

Accessibility to Policy:

10.2 The policy is introduced to staff at the time of their induction and will be made available on the shared workspace. The policy and labour terms and conditions will be attached in the information pack provided to the suppliers on signing a contractual agreement. Suppliers will have to confirm they have read and understood the documents before signing up for contract.

11.0 Objectives, Targets and Programmes:

Labour Issues

11.1 As a result of our initial labour standard status review detailed above, the organisation has identified a number of issues and a plan to address these issues.

Employment standards are maintained

11.2 Establishment of Minimum Labour Standards will be established during Q3 of 2017. Flexicare will then maintain those standards internally and on a quarterly basis review.

11.3 Flexicare's minimum Labour standards will be communicated to all of our supply chain partners who will then be requested to acknowledge their receipt of the standard

- 11.4** Following on from our communication of our standards Flexicare will generate a questionnaire to allow for the assessment of all supply chain partners and their compliance to the Labour standard.
- 11.5** Up to date formal contracts will be finalised and signed with our key business partners which will include their agreement to abide by and follow the Flexicare Medical Limited labour standards policy.
- 11.6** Flexicare will update the handbook and guidance to provide clear reference to collective bargaining.

Programmes

- 11.7** To implement the policy, a training programme has been identified. All persons within Flexicare who have dealings with and influence over the selection of supply chain partners will attend.

Targets

- 11.8** During 2017 targets will be established around key labour standards and monitoring arrangements will be set up.

Roles and Responsibility

- The Managing Director of Flexicare is accountable for this policy and acts as the Policy Lead;
- The Managing Director of Flexicare is responsible for establishing, reviewing, implementation;
- The Quality Director of Flexicare is responsible for disseminating the labour policy to all the employees and stakeholders;
- All Staff of Flexicare are responsible for following the Labour Standard.
- Flexicare have appointed an external auditor to conduct periodic reviews.

Competence, Training and Awareness

- 11.9** To implement this policy, Flexicare has identified a set of criteria for meeting Labour Laws in the UK and Globally.
Flexicare has identified the Managing Director to lead the development and implementation of the labour standards policy. This person has received the communication and initial awareness training and read through all the relevant NHS guidance and legislation.

For continuous improvement the people involved in the process of implementing the policy shall attend the formal training, attend seminars and conferences to maintain their knowledge on the matter.

11.10 All external audits will be carried out by a certified and approved auditor for policy compliance.

12.0 Operational Control

12.1 From the detailed risk assessment and labour standard review, Flexicare has identified the following critical control points:

- All suppliers will provide documentation on their operations related to labour issues;
- All employees joining Flexicare will be required to complete all mandatory training and read through all relevant policies;
- Any issues related to labour standard can be raised directly with the Managing Director by email.
- All staff with responsibility for business partner selection shall have training on the Labour standard

121 The main supplier for Flexicare is Flexicare Medical Dongguan Limited a related company. The supplier is formally contracted by Flexicare and is its only customer. A small selection of products are sourced from manufacturers in Asia and Europe.

122 All of our suppliers are reviewed and approved before being used. Where required suppliers are certified to the required standard by independent 3rd party certification bodies. We have technical agreements in place with all of our suppliers.

13.0 Emergency response

13.1 Planned mitigation and review of these actions are formalised through the risk review process defined above. In case of emergency, has established a business continuity plan. Upon receipt of a complaint, Flexicare will advise the Managing Director, place the supplier on hold, allocate staff to investigate the complaint and once the investigation has been completed they will formulate a response back to the complainant.

14.0 Management Review

- 14.1** Flexicare has in place a formal system to involve the top management in review and approval of the policy as explained in terms of reference.



References

<http://www.ilo.org/global/publications/>

<https://www.gov.uk/government/organisations/uk-trade-investment>

<http://www.ilo.org/global/standards/>

<http://www.ilo.org/safework/>

<http://www.ilo.org/global/publications/WCMS>

<http://www.wto.org/>

<http://www.direct.gov.uk/en/Employment/Employees/index.htm>

http://www.britishlaw.org.uk/cit_emp.html

NHS supply chain code of conduct- www.supplychain.nhs.uk/

Social Accountability Standard (SAS) 2008- <http://www.sa-intl.org/>

EU Employment law. <http://www.londonchamber.co.uk/DocImages/1154.pdf>

Public holidays in Poland- <http://www.timeanddate.com/>

Equality Act 2010. www.direct.gov.uk/