

The Modern Slavery Act 2015 (*"the Act"*) came into effect on 29 October 2015 and requires those entities carrying on a business or part of a business in the UK, supplying goods or services, and having an annual turnover of £36 million or more to disclose information regarding the steps they have taken to eradicate slavery and human trafficking from their supply chain as well as within their own organisation during the previous financial year.

Modern Slavery Act Statement

We are committed to good corporate citizenship and the highest ethical standards. To fulfil these commitments, we establish and maintain systems and controls to safeguard against slavery and related human trafficking in our supply chain.

This Statement is made pursuant to Section 54 of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year ending 31 March 2019.

BUSINESS STRUCTURE AND ORGANISATION

Lloyds Pharmacy Clinical Homecare Limited (LPCH) is part of McKesson UK and McKesson Europe AG. McKesson Europe AG is active in 13 European countries and employs around 38,000 people. McKesson Corporation, State of Delaware, USA, is the majority shareholder in McKesson Europe AG. McKesson Corporation is an industry leader in pharmaceutical distribution, medical-surgical distribution, generic pharmaceutical manufacturing and distribution and business and clinical services for healthcare providers.

LPCH is one of the most experienced providers of clinical homecare in the UK, and has been supporting patients in this way since 1975. We provide care to more than 85,000 patients in their own home – ranging from straightforward delivery of medication, to specialist nursing for complex conditions. We work in partnership with the NHS, pharmaceutical companies, private medical insurers and consultants, supporting a range of simple and complex patient needs.

OUR POLICIES, VALUES AND TRAININGS

We are committed to sourcing quality products from, and building relationships with, suppliers who share our values and ethical standards. We do not enter into business with any organisation, in the United Kingdom or abroad, which knowingly supports or is found to be involved in slavery, servitude and forced or compulsory labour.

Our [Code of Conduct](#) provides important guidelines for interactions with customers, suppliers and other business partners. At the core of the Code of Conduct and our activities are our [ICARE principles](#), which are; Integrity, Customer-first, Accountability, Respect and Excellence.

We are an equal-opportunities employer committed to creating and ensuring a non-discriminatory and respectful working environment for our colleagues. Our recruitment and people management processes are designed to ensure that all prospective colleagues are legally entitled to work in the UK and to safeguard colleagues from any abuse or coercion once in our employment.

We want all our colleagues to feel confident that they can expose wrongdoing without fear of retaliation.

Our Whistleblowing Policy encourages all colleagues to raise concerns including potential violations of the Code of Conduct, company policies, and the laws of the countries in which we operate. We have reporting mechanisms in place to collect and relay information regarding potential violations to appropriate company resources for review and follow up action. We have reporting mechanisms in place to collect and relay information regarding potential violations to appropriate company resources for review and follow up action.

We conduct training for employees to emphasise the importance of acting with integrity and in line with our ICARE principles and Code of Conduct.

During the next financial year, we will consider whether a specific policy on modern slavery is needed to supplement our existing policies and processes.

SUPPLY CHAIN AND DUE DILIGENCE

Our principal suppliers are regulated manufacturers and distributors of medical-surgical products, medical devices and pharmaceutical products.

Some of our suppliers are located in countries that may be more vulnerable to human rights abuses than others. That is why we have several methods to manage our zero-tolerance policy for such abuses, including the following:

- We clearly communicate our expectations to suppliers to ensure adherence to our values and ethical standards.
- We establish appropriate policies and processes within our businesses to make sure that the products we purchase and sell comply with our ethical standards.
- We utilise both internal and external resources to evaluate the factories of our suppliers based in higher risk countries and audit them against recognised industry standards.
- Our supplier agreements include language that requires our suppliers to obey national and regional statutory requirements in the country in which they operate, including where appropriate, any applicable laws regarding human trafficking, forced labour and other forms of modern slavery.

For our responsible sourcing and quality management systems, we have designed and implemented a number of processes to assess suppliers of the products introduced into the supply chain. The focus areas included in the assessment process include, but are not limited to, Commercial, Compliance and Quality Assurance.

Adverse audit findings, non-conformities and other remediation requirements are prioritised based on risk. If remediation is required, we work with our suppliers to improve their standards with corrective action plans and on-going reviews to make sure our standards are maintained. We aim to build

relationships with our suppliers to ensure adherence to our values and ethical standards. If a supplier fails to adequately remediate the issue, the relationship would be re-evaluated and if necessary, terminated.

In the last financial year, the McKesson UK group of companies has had the benefit of access to Sedex (Supplier Ethical Data Exchange), one of the world's largest collaborative platforms for sharing responsible sourcing data on supply chains. This provides us with access to a wealth of data and information around the ethical performance of potential suppliers for our own brand range of products.

EFFECTIVENESS

We regularly review our monitoring program to ensure our actions are appropriate and we believe our efforts to date have been effective in preventing slavery and human trafficking from being part of our supply chain.

In the last financial year, we have reviewed our supplier approval process for all categories of suppliers. We plan to introduce enhancements during the current financial year to help ensure a robust, proportionate and risk-based approach. These include increased rigour at the front-end of our process in terms of minimum due diligence checks and refinement of our approach to ongoing and repeat due diligence on a risk-basis for all suppliers.

We plan to increase awareness and understanding internally of our supplier due diligence processes by developing targeted training sessions and guidance for colleagues.

We note the UK Government's proposed changes to the legislation and statutory guidance around transparency in supply chains. We are committed to improving our systems and controls to help eliminate slavery and human trafficking within our supply chain and our own organisation and we will continue to comply with our legal and ethical obligations in this regard.

STATEMENT OF APPROVAL

This Statement has been approved by the board of directors of Lloyds Pharmacy Clinical Homecare Limited, and the board has authorised Toby Anderson, Chief Executive Officer, to sign the Statement on behalf of Lloyds Pharmacy Clinical Homecare Limited.

Signed: 

Name: TOBY ANDERSON

Position: UK CHIEF EXECUTIVE OFFICER

Date: 23/9/19