

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 2021.

BUSINESS STRUCTURE AND ORGANISATION

Metabolic Healthcare Limited trading as Lloyds Direct is part of McKesson UK and McKesson Europe AG. McKesson Europe AG is active in 12 European countries and employs around 32,000 people. McKesson Corporation, Irving, Texas, USA, is the majority shareholder in McKesson Europe AG. McKesson Corporation is a global leader in healthcare supply chain management solutions, retail pharmacy, community oncology and specialty care, and healthcare information solutions.

Lloyds Direct is one of the fastest growing online pharmacies in Europe and currently helps over 520,000 patients in the UK to conveniently manage their NHS prescriptions. Since 2015, Lloyds Direct has been working with GPs, delivering to any UK address for free, and reminding patients to order and take their medicine. Lloyds Direct became part of the Lloyds Pharmacy family in 2019 enabling us to provide patients with the option to collect their medicine at a local Lloyds Pharmacy instead.

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 patients, 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 conduct web-based and/or face to face training for colleagues to emphasise the importance of acting with integrity and in line with our ICARE principles and Code of Conduct.

We have commenced a programme of targeted training sessions for colleagues to further increase awareness and understanding of our key compliance topics, including our whistleblowing framework.

SUPPLY CHAIN AND DUE DILIGENCE

Our principal suppliers are regulated wholesalers 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 supplier 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.

The McKesson UK group of companies continues to have 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.

COVID 19 PANDEMIC

We have continued to manage the risks and impact of Covid-19 on our business in line with Government guidance.

Our Covid 19 secure risk assessments have been reviewed on a regular basis to reflect changes in Government guidance and to help ensure our mitigation plans continue to protect the health and safety of our colleagues. The Board of Directors has been kept up to date regarding risks levels and continues to be actively involved in determining any adjustments that need to be made to existing measures.

We have continued to enable colleagues to work safely from home where their roles allow and when necessary, we have suspended non-essential travel and face to face meetings. To protect colleagues who cannot perform their roles from home, we have maintained appropriate social distancing measures and revised cleaning schedules in our business premises, and we have continued to encourage all colleagues to follow Government advice on hygiene practices.

As Covid 19 restrictions are eased, we are retaining certain protective measures to ensure the safety of colleagues as they are re-introduced back into our business premises.

Colleagues have continued to receive regular communications during the pandemic including information about our updated people policies and access to a range of materials designed to support physical and mental health and wellbeing. Colleagues have continued to have access to our grievance procedures throughout the period.

EFFECTIVENESS

We regularly review our monitoring programme 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.

We have developed and implemented a Modern Slavery Policy which underlines our commitment to tackling modern slavery both within our organisation and our supply chain. The Policy is available to all colleagues through our internal communication channels together with a training video summarising modern slavery risks and the potential impact on our business.

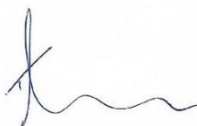
Our programme of targeted training sessions for colleagues on the key compliance risks affecting our business include the topics of supplier due diligence and modern slavery for relevant teams.

We have continued to implement our process for mandatory due diligence checks on new suppliers and we plan to begin refining our assessment of modern slavery risks during the course of the new financial year.

Modern slavery risks are captured in the McKesson UK Corporate Risk Register.

STATEMENT OF APPROVAL

This Statement has been approved by the Board of Directors of Metabolic Healthcare Limited, and the Board has authorised Toby Anderson, Chief Executive Officer, to sign the Statement on behalf of Metabolic Healthcare Limited.



Signed:

Name: TOBY ANDERSON

Position: CHIEF EXECUTIVE OFFICER

Date: 29 SEPTEMBER 2021