

## WHAT IS MODERN SLAVERY

Modern slavery is a global issue that transcends age, gender and ethnicity, remaining a matter of international concern. Moreover, it is a criminal offense and a crime against humanity. No company or industry can be considered immune to any of the forms of slavery. It is unacceptable that vulnerable people are forced to work against their own will in any area of activity.

## MODERN SLAVERY ACT STATEMENT

The following Statement defines the steps that Farmasoft has taken to ensure there are no signs of slavery, servitude, forced labor or human trafficking present within the company. This document is created in accordance with Section 54, Part 6 of the Modern Slavery Act 2015. We are committed to follow and uphold the laws and regulations connected to aforesaid Act.

## FARMASOFT BUSINESS PROFILE

Farmasoft LLC was established in 1999 with a mission of providing high-quality full range logistics services for medicines and medical supplies. The chief benefits of the company are its comprehensive approach, professional expertise, and compliance with international requirements as well as Ukrainian legislation. Decades of experience were gained in different fields of healthcare, pharmaceutical and life science logistics, and pharmaceutical marketing. Farmasoft clients may rely on our skilled staff, transparent price formation, qualified and prompt responses to requests of any complexity. More than 20 years of operation in the industry enable us to provide services of highest quality.

## OUR POLICY

Farmasoft does not tolerate any form of servitude, forced or bonded labor, human trafficking or slavery in any part of our own business and in our supply chain. Moreover, our company has a strict policy against child labor. We have established and introduced the policies based on UN Human Rights Declaration and Modern Slavery Act. Key principles and practices of our ethical business approach are presented in company's Code of Conduct and obligatory for our employees. We support, maintain and constantly improve our employees' knowledge, organize trainings and keep communications open. Both anonymous and direct ways of reporting ethical concerns are encouraged. We investigate and respond to all concerns without delay and take all the necessary corrective actions.

Farmasoft seeks to treat everybody equally and fair by creating a workplace and business environment based on openness, transparency, and safety. Our policies and procedures related to the Modern Slavery Act are in line with business culture and chief values of our company. Farmasoft requires that all of its employees are to behave themselves within a framework of equality and in a Code of Conduct-compliant manner when dealing with colleagues, business partners and members of the community.

Our company treats employees with equal respect, ensuring that none of them may be a subject to discrimination, harassment or retaliation. We believe that our personnel deserves to work in an environment where equality and respect are essential parts of the business culture. We have existing policies and procedures that manage grievances, disciplinary issues, and whistleblowing. They are sufficient



to provide our employees with relevant information on modern slavery and encourage them to report on such cases without fear of retaliation, so that the necessary corrective measures could be taken instantly.

In our recruitment, retention, promotion, and other employment activities we are committed to compliancy with applicable employment and labor laws.

We also expect our partners and suppliers to run their businesses in accordance with the requirements presented in Farmasoft's Supplier Code of Conduct, sharing its overall values without any obstruction or discouragement. We expect all our suppliers to have a relevant management system and Company Code of Conduct in place to demonstrate their commitment to the concept of ethical business and human rights protection. Our Code is based on core labour standards of the International Labour Organization. Some relevant provisions of our Code include:

- 1) Zero tolerance for child labour in our supply chain;
- 2) Zero tolerance for slavery, servitude and forced or compulsory labour and human trafficking in any part of our business;
- 3) Providing employees with a workplace free from harsh and inhumane treatment;
- 4) Working hours should not exceed the total amount permitted by Ukrainian laws;
- 5) Wage should be paid regularly, in a timely manner and in a full amount;
- 6) Wage and benefits should provide decent living standards for employees and their families.

We expect that the same standards are applied by our suppliers to their own suppliers. Farmasoft conducts an annual Corporate Social Responsibility Questionnaire to survey its supply chain. We seek to explore and evaluate the status of Corporate Social Responsibility implementation across our chief suppliers. Farmasoft administers a suitable risk-based approach to minimize the risk of facing slave labour. We are committed to preventing cases of modern slavery and human trafficking both within Farmasoft business and throughout its supply chain.

Based on the aforesaid, the relative risk exposure to slavery, human trafficking and forced labour is rather low given the nature of the business, and the skillset required in Farmasoft's supply chain (i.e. mainly skilled labour). Nevertheless, as a general principal, Farmasoft endeavours to deal exclusively with the suppliers who run their business in a lawful and ethical manner, including the adoption of business practices that prevent or eliminate modern slavery and human trafficking.

## OUR PROCEDURES

Farmasoft has a set of procedures to address the risk of modern slavery:

- 1) A 'Modern Slavery Policy' for our personnel, which stipulates key issues and ways to solve them, including a process of raising concerns internally;
- 2) Employment policies that protect our personnel from unjust and unequal treatment and promote a development of fair and safe workspace;
- 3) Reliable recruitment process compliant with relevant employment laws;
- 4) Market-related wages and rewards that are reviewed annually.

## TRAINING

Farmasoft offers regular training programs to enhance employees' awareness of the essential human rights in their day-to-day activities. In 2020, more than 96% of our employees are to receive training on key provisions of our Code of Conduct, for a total of 8 hours duration.

Farmasoft's Code of Conduct is regularly improved with an aim to develop reliable and up to date standards that protect human rights in a comprehensive manner. Farmasoft's Code of Conduct is available on the company's server and revised annually.

## DUE DILIGENCE PROCESSES

According to its policies and procedures, Farmasoft is committed to zero tolerance for modern slavery and child labor. Protection of human rights is an integral part of our management and human resources strategy. All business activities that are related to human rights protection are under strict control of company's management and displayed properly in all procedures.

Adherence to the corporate compliance principles is among the subjects covered in audits by Farmasoft's Internal Audit. It is also approved by analyses and investigations from legal and compliance organizations. The planning of these audits by Internal Audits follows a function and risk-based approach. Function specific audits are conducted globally across all important directions such as comparator sourcing, bio samples logistics etc.

## FURTHER STEPS

We shall review the effectiveness of the measures we have taken to further improve our policies, procedures and other measures.

Signed



**Larysa Konovalova**  
CEO

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