smiths

SMITHS GROUP

TRANSPARENCY IN SUPPLY

CHAINS STATEMENT

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This statement has been published in accordance with the requirements of the California Transparency in Supply Chains Act of 2010. It discloses the steps taken by Smiths Group and its subsidiary businesses to prevent modern slavery and human trafficking in its business and supply chain during the fiscal year ending 31 July 2019.

INTRODUCTION

At Smiths Group plc ("Smiths"), a leader in global technology, we appreciate that our products, operations, and business relationships impact humans around the world. We believe it is our responsibility to ensure that our impact is positive and to take steps to protect human rights in our supply chain. We are committed to managing our business with care and working with responsible organisations that uphold high ethical standards and abide by the laws and regulations applicable to their conduct.

We recognize that modern slavery, including human trafficking, is a growing issue. All businesses in Smiths therefore have a responsibility to be alert to the risks and to take steps to prevent and mitigate the risks wherever possible.

Smiths' Code of Business Ethics prohibits the use of child labor, forced or involuntary labor, forced overtime, withholding of personal papers, harsh or inhumane treatment, or discrimination, and emphasizes the importance of well-treated, fairly-compensated workers. Our ethics and compliance program continually promotes these standards and assesses compliance. Similarly, Smiths' Supplier Code of Conduct provides suppliers with our expectations for responsible manufacturing standards, and our internal Human Rights Policy and Ethical Behavior of Suppliers Policy both provide employees with expectations regarding supplier compliance.
Links to each of these Codes and Policies may be found here (provide web link or web address).

VERIFICATION AND AUDITING

Smiths has developed and operates a program to verify its product and labour providing supply chain to evaluate and address the risks of human trafficking and slavery. Smiths has an internal risk assessment program conducted by our Ethics & Compliance department. We adhere to the principles in our Code of Business Ethics and Supplier Code of Conduct and require our direct and indirect materials and labour suppliers to acknowledge their compliance to these Codes. New suppliers are subject to due diligence checks in the form of ethics and compliance questionnaires, which include questions on human trafficking and slavery. If issues are identified during the due diligence process, appropriate investigative and remedial actions are taken.

Smiths Group plc – July 2019

Smiths also operates a program to audit suppliers to evaluate compliance. At this time, supplier audits are conducted by Smiths internal staff through announced visits. These audits are carried out in all territories where we have direct suppliers, including North America, Latin America, Asia, and Europe. Smiths determines the frequency and location of the audits through risk level, accounting for factors such as country risk and past performance.

POLICIES AND CERTIFICATION

Smiths' Code of Business Ethics, Human Rights Policy, Supplier Code of Conduct, and Smiths UK Modern Anti-Slavery Statement set the framework for specific actions across our own operations and our supply chain. A key component of our approach is that direct suppliers agree contractually to abide by applicable employment and human rights laws, as well as our Code of Business Ethics and our Supplier Code of Conduct. Our ethics and compliance program continually promotes these standards and assesses compliance.

INTERNAL ACCOUNTABILITY

The Board of Smiths Group is accountable for ensuring that Smiths fulfils its commitments and conducts its business in an ethical and legally compliant manner. Through its Code of Business Ethics, Supplier Code of Conduct, and policies, Smiths make clear that it will not tolerate or condone abuses of human rights within any part of our business or supply chains, and we take seriously any allegations that human rights are not properly respected.

Smiths Code of Business Ethics is a guideline for ethical conduct and how we do business. This Code is a summary of basic principles for working toward our company's commitment to ethics and integrity. All employees agree to adhere to the Code of Business Ethics as a condition of employment. Smiths also maintains internal accountability standards and procedures for employees or contractors failing to meet company standards, including those relating to slavery and trafficking.

In addition, our employees and business partners are expected to report any activity – whether in our business or our suppliers or partners – that they consider may breach the Code of Business Ethics, Supplier Code of Conduct, or any policy. Such reports are made through our "Speak Out" tool – an email, telephone, and web portal that allows our employees and our business partners to self-identify or report anonymously. The Speak Out program is widely published throughout all divisions, with on-site physical posters and the division intranet site. Reports received are investigated and, if there is any evidence to support the concern, appropriate remedial actions are taken. Smiths also conducts campaigns directed at employees to raise awareness about modern slavery and to identify red flags. The most recent campaign was called "Take a Closer Look".

TRAINING

In addition to training on the Code of Business Ethics, Smiths conducts awareness trainings on modern slavery and labour standards assurance for operations, sourcing, supply chain, and human

resources teams across the globe. Smiths has also rolled out new employee training as part of the orientation process. The current set of training covers our behavioral expectations and helps staff identify red flags.

Although these fundamental programs and measures are in place, at Smiths we are continuously updating and enhancing our awareness and training around human rights.

Smiths Group plc – July 2019