SLAVERY AND HUMAN TRAFFICKING STATEMENT - 2017

This statement is made pursuant to the Modern Slavery Act (2015) and approved by the Board of directors of Ergomed. This statement sets out the steps that we have taken during the financial year 2017 to ensure that slavery or human trafficking is not taking place in any part of Ergomed Group business.

Introduction

Ergomed acknowledges the existence of modern slavery and human trafficking. This is a problem which needs to be tackled by coordinated action of government bodies, law enforcement agencies and the society, including business organisations. For the purposes of this statement, slavery and human trafficking refers to forced labour, child labour, domestic servitude, trafficked labour and workplace abuse.

I. Our structure, business and supply chain

Ergomed Plc (together with its subsidiaries, Ergomed or we) provides specialist services to the pharmaceutical industry and develops drugs both wholly-owned and through partnerships. Ergomed’s fast-growing, profitable service offering spans all phases of clinical development and post-approval pharmacovigilance and medical information. Drawing on more than 20 years of expertise in drug development, Ergomed has established a portfolio of drug development partnerships and programmes, including wholly-owned proprietary products for the treatment of surgical bleeding it operates globally in over 40 countries. Since our inception in 1997, Ergomed has rapidly grown to over 700 permanent staff that provide our unique expertise, to large pharmaceutical companies, as well as many small and mid-sized drug development companies. In the course of its business, except providing services to pharmaceutical companies and collaborating with investigational sites and investigators in the conduct of the clinical trials and Pharmacovigilance, Ergomed has third party product suppliers and service providers throughout the world who supply goods and services to Ergomed for the various business segments listed above, such as but not limited to staffing, IT systems, records storage, courier.

II. Our policy on slavery and human trafficking

We promote a culture of collaboration, teamwork and high performance in a multi-skilled, multi-disciplined environment to achieve growth and success for the benefit of our patients and clients.

Ergomed understands the importance of combating modern slavery and human trafficking and is committed to protecting and ensuring protection of human rights. Ergomed’s standpoint is clear; we condemn any form of modern slavery, human trafficking, force or abuse, and we expect adherence from all our partners and contractors as we will not tolerate slavery or human trafficking in any part of our business.

In keeping with our commitment to act in accordance with ethical standards, transparency and compliance with applicable laws, we have policies on global and
local levels which shall ensure that there is no modern slavery or human trafficking in the business of Ergomed or its supply chains.

- Corporate Employee Handbook – This handbook promotes ethical business practices and policies, puts in detail all rights and obligations of employees. It determines the employment so it is clear and understandable to all employees of the Group of what is expected from them, however, more importantly what are their rights, how to seek and protect them.
- Whistleblowing Policy – This Policy was introduced to enable its staff to raise any concerns they may have about a range of matters at an early stage and in the right way. Among others, the aim of the Policy is to provide clear procedures for reporting of suspected situations (manage all disclosures in a timely and professional manner); and create a more just workplace (provide assurance that all disclosures will be taken seriously and treated as confidential);
- Anti-Bribery Policy – This Policy applies to all employees of Ergomed, wherever they are located, and where relevant to third parties engaged in activities in connection with Ergomed, such as suppliers, agents, representatives, investigators and consultants. The aim of this policy is to provide guidance to comply with applicable anti-corruption and anti-bribery laws and regulations, including ethical standards.
- Labour Bylaws – Our affiliates, have adopted, in accordance with applicable local laws, bylaws where, among other, procedures of protection employees’ rights is regulated on national level.
- Safety at Work Committee – Depending on the local law, our affiliates have Safety at Work Committees whose main task is to ensure safe conditions of employment, as well as basic healthcare conditions. In affiliates with higher number our employees the employees have commissioners who represent the employees at the Committee.
- Commissioner for protection of the Employees’ dignity – in accordance with applicable laws, in some affiliates Commissioner for protection of the Employees’ dignity is appointed. Commissioner’s scope of work is to receive and resolve employees’ complaints regarding the protection of their dignity.

We understand that current policies may not be sufficient to encompass our mission; however we are focused on taking further steps and improving our contribution in this crucial issue.

For this purpose:

- We are working on amending the current Corporate Employee Handbook with instructions to employees how to identify the signals of modern slavery and procedures regulating how to respond to an incident of modern slavery.
- During the course of FY 2018 we will start educating our employees in modern slavery and human trafficking, its uprising and steps we are taking. We will ensure a mass communication is sent out and all our employees formally complete receipt of training which can be seen in their training records.
- We are determined to adopt Supplier Code of Conduct whereby all requirements and conditions of collaboration with Ergomed that we already request from our contractors will be stipulated in written form and will form integral part of the service agreement.

III. Due diligence processes and steps taken to combat modern slavery and human trafficking
Ergomed recognises that the modern slavery and human trafficking is a worldwide present issue, however, it is in our opinion that the risk in regard to modern slavery and human trafficking is at minimal at Ergomed as Ergomed predominantly forms business partnerships with established healthcare institutions or businesses that focus on improving the lives of patients and people across the world.

Nonetheless, in the process of recruiting new staff, which is either managed internally or external contractors are engaged depending what the case may be, we use extra precautions and only work with reputable recruitment agencies. According to our standard operating procedures, we perform stringent vendor assessments to ensure our vendors are legitimate and comply with our standards in all respects, especially in ICH-GCP.

In countries where there is a higher risk of modern slavery, we made sure our employees are protected by ensuring the same conditions of employment are based in local labour laws. The adopted Corporate Employee Handbook applies equally to all Group’s employees.

The Company operates an equal opportunities policy which means we will not discriminate, directly or indirectly against people on the grounds of their sex, age, marital status, race, religion, colour or ethnic origin. The Company will not discriminate in advertising, selecting, offering training or providing benefits and services.

In addition to the existing policies, we are constantly working on improving measures which will provide more effective approach, as well as better implementation of the existing.

We are in the business of improving and monitoring patients / people’s quality of life in terms of healthcare and our staff is highly trained, with great skills who perform work in a regulated environment and compliance with applicable local laws.

Furthermore, most of our clients have ethical standard policies which are mandatory part of our agreements for provision of services.

Before being engaged, potential suppliers are subjected to qualification process. After entering into agreement, Ergomed suppliers are subjected to regular re-assessment whether being in line with contractual obligations. In our clinical trial agreements, as well as all other commercial agreements we require the other parties to comply with applicable laws, and always to protect rights and welfare of clinical trial subjects.

IV. Effectiveness of our measures

In order to enable us to measure our effectiveness in combating modern slavery and human trafficking we are establishing Key Performance Indicators. Those will help us get a clear picture where we stand in the following years. These are the Key Performance Indicators for financial year 2018:

a) Revision of number of adopted policies;
b) Revision of number of suppliers who accepted our Supplier Code of Conduct, and
c) Revision of number of employees who have attended the training on modern slavery and human trafficking.

The CEO of the Group is authorized by the Board of directors to sign this Statement on their behalf.

Stephen Stamp, CEO and CFO