

Modern Slavery Act Statement for the year ended 31 December 2024

Smith & Nephew plc and its subsidiaries (together **Smith+Nephew**) are committed to preventing slavery and human trafficking in our corporate activities and supply chains. This statement sets out our approach to achieving this in our commercial operations, including our relationships with third party sellers and suppliers. Our statement is published in compliance with the requirements of Section 54 of the UK Modern Slavery Act 2015 and relates to Smith+Nephew's actions and activities during the financial year 1 January 2024 to 31 December 2024.

This statement was approved by the Board of Smith & Nephew plc and adopted by each of its relevant subsidiaries, T.J.Smith and Nephew, Limited, and Smith & Nephew UK Limited.

Details of our subsidiaries are set out in Smith+Nephew's 2024 Annual Report, published on 10 March 2025.

Smith+Nephew's Commitment- Our Code of Conduct, Business Principles and Third Party Guide to working with Smith+Nephew

At Smith+Nephew, we conduct our business with integrity, honesty and professionalism. These principles are embodied in our Culture Pillars: Care, Collaboration and Courage. These Culture Pillars guide the behaviour of everyone at Smith+Nephew, no matter where in the world we are located. We must all also follow and understand applicable laws, our Code of Conduct and relevant Company policies and procedures. Our Code of Conduct and Business Principles can be found on our website: <https://www.smith-nephew.com/compliance/code-of-conduct-and-business-principles/>.

We work with third parties who adhere to business principles, and health, safety, social and environmental standards, consistent with our own. Third parties who carry out business on our behalf, directly or indirectly, must also understand and follow applicable laws when carrying out that business, and manage their suppliers in accordance with the same standards.

Smith+Nephew is committed to:

- Taking a robust approach to preventing slavery and human trafficking in its corporate activities and supply chains.
- Supporting the Universal Declaration of Human Rights of the United Nations. This means we respect the human rights, dignity and privacy of the individual and the right of employees to freedom of association, freedom of expression and the right to be heard.
- Not using any form of forced, compulsory or child labour.
- Helping third parties working for and on our behalf through additional guidance to explain how our Code of Conduct specifically relates to them and the services that they provide. Our Third Party Guide to working with Smith+Nephew is located on our website at: <https://www.smith-nephew.com/en/compliance#code-of-conduct-+-third-party-guide-+-global-policies> and sets out our requirements for third parties based on the laws, regulations and industry codes that apply to Smith+Nephew.

"The name "Smith+Nephew" means something to our customers, to patients and to stakeholders. It means that the products, services and business practices associated with our name are provided in compliance with strict standards and strong ethical practices. Without our reputation, we put at risk everything we have worked so hard to achieve. That is why we work with partners who are committed to the law and ethical behaviour."

Deepak Nath

Chief Executive Officer

About Smith+Nephew

Smith+Nephew is a portfolio medical technology business focused on the repair, regeneration and replacement of soft and hard tissue. We exist to restore people's bodies and their self-belief by using technology to take the limits off living. We call this purpose 'Life Unlimited'. Our 17,000 employees deliver this mission every day, making a difference to patients' lives through the excellence of our product portfolio, and the invention and application of new technologies across our three global business units of **Orthopaedics, Advanced Wound Management and Sports Medicine & ENT**.

- **Orthopaedics** includes an innovative range of Hip and Knee Implants used to replace diseased, damaged or worn joints, robotics-assisted enabling technologies that empower surgeons, and Trauma products used to stabilise severe fractures and correct bone deformities.
- Our extensive **Advanced Wound Management** portfolio provides a comprehensive set of products to meet broad and complex clinical needs, to help healthcare professionals reduce the human and economic consequences of wounds.
- Our **Sports Medicine and Ear, Nose and Throat (ENT)** businesses offer advanced products and instruments used to repair or remove soft tissue. They operate in growing markets where unmet clinical needs provide opportunities for procedural and technological innovation.

Manufacturing and quality

Smith+Nephew takes great pride in its expertise and maintains focus on delivering products that are safe and effective for patients. We operate manufacturing facilities in North America, South America, Europe, UK, Switzerland and Asia, and have central contracted distribution facilities in the US, Europe and Asia.

Smith+Nephew's supply chain network includes more than 750 direct suppliers of goods and services. Products are shipped to individual country locations that hold small amounts of inventory locally for immediate supply to meet customer requirements.

Governance and Oversight

Our strategy and approach to delivering on our commitments to prevent slavery and human trafficking is driven by our Chief Executive Officer and Executive Committee and implemented by various teams within the organisation. The Board has oversight of environmental, social and governance (**ESG**) matters and approval of sustainability and ESG strategy is a matter reserved to the Board.

Our Culture & Compliance Committee reviews our policies, procedures and progress on ESG matters as well as our Modern Slavery Statement prior to approval by the Board. Our ESG Steering Committee leads on development and monitoring of internal key performance indicators and metrics aligned to achievement of our ESG objectives and the review of ESG policies and procedures. The ESG Steering Committee reports to our Executive Committee and progress reports are shared with the Board and its Committees. Our Sustainability Report, published annually, provides an update on our actions to deliver our ESG strategy and a detailed update for each of our focus areas: People, Planet and Products.

Third Parties- Code of Conduct and Business Principles

We select third parties based on their qualifications, reliability and adherence to applicable laws and our values. We take all reasonable steps through our due diligence and risk assessment process, to select partners that are committed to following the law and who behave ethically. We work with third parties who adhere to our Code of Conduct, Business Principles and health, safety, social and environmental standards consistent with our own. We are committed to sourcing materials from responsible suppliers.

On an annual basis, we conduct a supply chain Conflict Minerals due diligence programme and issue a disclosure report in accordance with the reporting and disclosure requirements under Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank"). We support ending violence and human rights violations in all Conflict Areas. Further details on our Conflict Minerals Policy are available on our website: <https://www.smith-nephew.com/who-we-are/sustainability/conflict-minerals#conflict-minerals-policy>.

Our **Third Party Guide to working with Smith+Nephew** states that third parties working with us may not use any form of forced, compulsory or child labour. They must maintain a work environment in which all feel welcome and free of harassment, discrimination or other improper conduct. They must respect the human rights, dignity and privacy of the individual and the right of employees to freedom of association, freedom of expression and the right to be heard. This guidance helps third parties understand, follow and meet our expectations for them to:

- Always respect the human rights, dignity and privacy of the individual.
- Not use forced, bonded, indentured, child or involuntary prison labour.
- Provide a workplace free of harassment and discrimination.
- Build a diverse workforce based on an employee's qualifications and abilities needed for the work to be performed.
- Observe applicable laws and regulations governing wages and work hours.
- Provide regular employment and avoid the use of labour-only schemes where there is no real intent to impart skills.

If a third party violates our guidance, applicable laws, regulations and/or industry codes of conduct, we will review that business relationship and take appropriate action, which may result in termination of the relationship.

Compliance with our Code of Conduct

Third parties working with us must commit to adhere to applicable laws and we seek assurances (through contract, due diligence or otherwise) that each third party who works with us:

- conducts all business on Smith+Nephew's behalf in an ethical manner that is compliant with applicable laws, regulations and industry codes of conduct;
- manages their suppliers in accordance with the same standards;
- notifies Smith+Nephew without delay of any allegation received of a breach of our Code, applicable laws and industry codes that they discover, even if they are not directly involved; and,
- protects whistleblowers' confidentiality and prohibits retaliation against workers who make a report in good faith.

All employees and other persons subject to our Code of Conduct are required to report all suspected breaches of the Code to a compliance officer or through other authorised reporting procedures. Any employee or person subject to our Code who is aware of a violation and fails to report it may face disciplinary action, subject to compliance with applicable laws.

We have a robust whistle-blowing procedure in all jurisdictions in which we operate in accordance with local legal requirements. We are committed to upholding our promise in our Code of Conduct that we will not retaliate against anyone who makes a report in good faith. Our Chief Compliance Officer is responsible for reviewing Smith+Nephew's Code of Conduct and for addressing compliance-related concerns. The Chief Compliance Officer may, depending upon the nature of the violation, report it to the Compliance & Culture Committee of the Board.

Training

All staff receive training on our Code of Conduct and Business Principles.

Relevant employees (including procurement staff, those working in areas relating to ESG matters and health and safety or advisory functions) undertake annual training on modern slavery issues and risks to enable them to identify and take appropriate actions as necessary, including in dealings with our third-party suppliers. This training includes practical examples and guidance to support risk assessments and the taking of necessary actions.

Our Third Party Seller Global Compliance Programme ensures that due diligence is clear

before we engage with a distributor or agent who generates demand for our products. We provide training to distributors and agents to reinforce our expectations for compliant and ethical behaviour and set out clear rules for them to follow. Additional compliance guidance is provided to our employees who operate our compliance programme and who manage and work with our distributors and agents.

Risks of Modern Slavery in Smith+Nephew's operations and supply chain

Smith+Nephew assesses the risk of modern slavery within its directly employed workforce to be low. The majority of workforce are our direct employees and are engaged in skilled roles. We have low use of labour agencies and undertake enhanced due diligence when engaging staff through such agencies, for example by requiring that the agency has completed all necessary right to work checks and identification verifications. We undertake regular reviews to ensure that the work conditions and salaries of our workforce are at or above the levels required by applicable laws and regulations.

We have identified an increased risk of modern slavery when we engage third-party suppliers to provide Smith+Nephew with goods and/or services. For many of our suppliers however, the risk of modern slavery within their supply chain, is still considered relatively low due to the highly regulated nature of the medical technology industry and the need for our suppliers to purchase quality materials and components to meet Smith+Nephew specification requirements, often working in accordance with Smith+Nephew's specific direction. Materials and components in final products are additionally subject to quality control verifications undertaken by skilled employees who are required to assure the origin of the relevant products and compliance with Smith+Nephew specifications.

Some suppliers may however be assessed as medium or high risk primarily due to:

- (a) their undertaking manufacturing in and/or sourcing raw materials for production of products from high- risk countries for modern slavery practices;
- (b) use of raw materials originating in industries that are considered high risk for modern slavery practices (such as mining); or
- (c) use of low skilled labour in their manufacturing processes.

Further there is an increased risk of modern slavery practices with sub-suppliers with whom Smith+Nephew does not have a direct relationship. This is due to the more limited visibility and control Smith+Nephew has with respect to the use of such sub-suppliers. Accordingly, we are working as part of our risk assessment and due diligence programmes to promote and encourage transparency and best practice and limit risk within sub-tier supply chains. We do this by requiring that our Tier -1 suppliers conduct their business and affairs in an ethical manner, consistent with the provisions of our Code of Conduct and Business Principles and we assess our supplier's compliance through our desktop Labour Standards questionnaire and on-site social audits. As part of our assessments, we confirm that Tier -1 high risk suppliers are managing their sub-tier suppliers, consistent with our Code of Conduct and Business Principles.

Supplier Risk Assessment and Due Diligence

We have completed screening and due diligence of our existing Tier -1 suppliers according to our risk-based approach and we undertake a risk assessment and due diligence for all new suppliers prior to their onboarding. Our process includes evaluating modern slavery and human trafficking risks for each supplier, and their management of their sub-tier supply chain.

Our approach is holistic and considers all suppliers, their location and the category of supply, to determine whether the supplier should be designated as potentially high risk for modern slavery and human trafficking compliance. Suppliers identified as potentially high risk during our initial assessment are required to complete a comprehensive desktop Labour Standards questionnaire. The questionnaire aligns with the Ethical Trading Initiative (ETI) Base Code, and requires suppliers to evidence the following in relation to the operation of their business and workforce:

- Employment is freely chosen;
- Workforce has freedom of association and the right to collective bargaining;
- Working conditions are appropriate;
- No use of child labour;
- Minimum wage laws are complied with;
- Operation of appropriate working hours;
- Employment is free from discrimination;
- Regular employment is provided;
- No harsh and/or inhuman treatment.

We screen our new suppliers on a quarterly basis and within six months of their onboarding and existing suppliers are screened on an annual basis. We review our risk criteria for modern slavery and human trafficking periodically and in the event of updates to the UN GSI and US Dept of Labor List of Goods Produced by Child Labor or Forced Labor. Updates to our risk criteria are then flowed into our risk management process as necessary.

All new suppliers are subject to a Denied Party Screening check before they are onboarded. Once suppliers are onboarded, they are subject to a daily Denied Party Screening check. We also receive and monitor daily supplier risk alerts through our SAP Ariba platform, quarterly ethical trade briefings, and investigate any other potential risks which we are notified about through our Compliance hotline or internal communications. This allows us to monitor risk within our supply chain comprehensively, and to take specific actions in our risk management process with regards to specific countries or commodities where necessary.

Supplier responses to our due diligence questionnaires and any documents provided are reviewed by our environmental, social and governance and global procurement teams and follow up due diligence with the supplier is conducted, where necessary, to evaluate

supplier risk. This involves direct communications with suppliers (e.g. emails and phone/video calls) to clarify our requirements and details of supplier's responses or to obtain any outstanding information, as necessary.

If the information obtained through the due diligence process substantiates a modern slavery risk or the supplier does not demonstrate that it is able to comply with all applicable law and regulations and/or Smith+Nephew's policies and procedures (including labour standards, sustainability, health and safety and environmental requirements), the relevant supplier will not be on-boarded or steps taken to off-board them where already on-boarded, if the risk or compliance issue cannot be appropriately mitigated or resolved.

As part of our annual Conflict Minerals programme, our supplier due diligence framework requires suppliers to identify origin, source and chain of custody of materials potentially in scope of Dodd Frank, to encourage transparency in our supply chain. Our due diligence process for identification of Conflict Minerals, was designed according to the five step Organisation for Economic Co-operation and Development (OECD) Due Diligence Guidance.

Our dedicated Global Procurement Lead, CSR, Sustainability & Supplier Diversity has oversight of and co-ordinates our supplier labour standards and sustainability efforts as a key focus within our due diligence programme.

When issues are identified during our supplier relationship life-cycle, or as part of our risk assessment and due diligence programmes described above, our procurement team and, as necessary, our Global Procurement Lead, CSR, Sustainability & Supplier Diversity will work with the supplier to mitigate risks and monitor the supplier/actions taken through our Ariba procurement system, which may include raising a Corrective and Preventative Action (CAPA) on the supplier's registration. We also provide support to suppliers to assist them with establishing procedures or conducting due diligence, including with sub-tier suppliers, until any issue including any CAPA is resolved. A corrective action plan will be implemented with a timescale for resolution, but if a CAPA cannot be resolved or there are repeat occurrences which cannot be resolved, then we will establish an exit plan for the relevant supplier. Where a CAPA is resolved, the relevant supplier will be placed under a three (3) year period of enhanced follow up for further due diligence to ensure that they are re-screened for continued compliance with our requirements.

Reviewing our progress

During 2024, we continued to enhance our due diligence and other controls around vendors, suppliers and service providers to increase their robustness and to make it easier for employees to evaluate supplier and third-party related risks.

We continued our supplier on-site social audit programme, which we have found to be a positive learning exercise both for our internal teams and for building relationships with our suppliers developing mutual trust and understanding.

We progressed with our pilot programme by continuing to carry out and widening use of combined supplier on-site social and quality audits. We provided further training for our supplier quality teams to increase the number of employees able to complete combined audits. The training was delivered through social audit shadowing and focused training sessions lead by our Global Procurement Lead, CSR, Sustainability & Supplier Diversity.

As part of our audit program, we have implemented a toolkit for cross functional teams to use to support consistency of approach to future on-site social audits, for example questionnaires and a decision guide reflective of our risk based due diligence approach.

We have continued to obtain supplier responses using embedded questionnaires and automatic follow ups within our Ariba Procurement system.

Case Study: On-site Audits

In 2024, we continued on-site audits of some of our raw materials suppliers in Asia-Pacific. As part of our pilot to combine on-site social audits with supplier quality audits, we selected suppliers to align with our supplier audit schedule. The audits focused on supplier compliance with our policies and procedures and applicable law and regulations, including Modern Slavery, and sub-tier supplier management. We conducted interviews with employees in various positions, including shop floor workers, and spent time in the factory to enable verification of the information previously provided. The audits provided the opportunity to openly discuss suggestions for improvement and collaboration. As part of the audit, we issued requests for the suppliers to update their policies and processes in alignment with local law and regulations, conduct refresher health, safety and environment (HSE) training, to carry out HSE spot checks, and to enhance their supply chain management programmes. Compliance with these requests and ongoing progress continues to be monitored as part of our post-audit ongoing assessment programme. The suppliers welcomed our input to collaboratively enhance their operations. Employees participating in interviews demonstrated transparent two-way dialogue and information exchange.

Having an internally led supplier due diligence programme means that we can be agile in our approach, implementing changes in line with laws and regulations and addressing risks through direct communications with our suppliers. We are able to adapt our internal questionnaires and track responses within our Ariba Procurement system dynamically. At the same time we obtain external guidance and monitor global and industry specific developments to ensure that we are effective in our approach and that we are continuously improving.

Continued Commitment

Smith+Nephew works hard to identify areas for enhancement and improvement of our global compliance programme. We remain flexible in our approach to preventing modern slavery and we continue to adapt our policies and procedures to respond to rapid changes in the global landscape in which our supply chain operates.

We will continue to review our performance against customer and stakeholder requirements and industry performance more broadly, in line with our Culture Pillars of Care, Collaboration and Courage.

Yours sincerely,



Deepak Nath
Chief Executive Officer

24 February 2025