

Transparency Act Smith & Nephew AS 2024

The company is a wholly owned subsidiary of Smith & Nephew USD Limited, which in turn is part of a larger group of which Smith & Nephew plc, is the parent company. The parent company is listed on the London Stock Exchange as well as the New York Stock Exchange. The group's Sustainability Report, which includes activities relevant to the company, is prepared by the parent company and is available at www.smith-nephew.com/sustainability. Smith+Nephew markets, sells and distributes products in the medical device areas of orthopedics, endoscopy and advanced wound management. The majority of the products that Smith & Nephew AB markets are manufactured by companies within the Smith & Nephew group. Smith & Nephew AS was established in Norway in 1979 with one employee and with NOK 1 million in turnover. Today we are 26 employees with total sales of 191 million from wound management, orthopedics, and endoscopy products. The company's premises are in Asker.

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 those who perform services for and on our behalf.

We select third parties based on their qualifications, reliability and adherence to applicable laws and our values. 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.

Relevant Risks:

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. 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.

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

- (a) the countries within which some of the products are manufactured and/or because the raw materials sourced for their production originate from high-risk countries for modern slavery practices.
- (b) the raw materials for several products are in industries that are considered high risk for modern slavery practices (such as mining); and
- (c) some of their manufacturing processes may utilize elements of low skilled labour.

Further there is an increased risk of modern slavery practices with sub-suppliers with whom Smith+Nephew does not have a direct relationship.

Measures implemented:

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

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.

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 authorized reporting procedures.

We have a robust whistle-blowing procedure in all jurisdictions in which we operate in accordance with local legal requirements. Our Chief Compliance Officer is responsible for reviewing Smith+Nephew's Code of Conduct and for addressing compliance-related concerns.

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

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.

Results achieved:

In 2024, Smith+Nephew (S&N) made significant strides in reinforcing their commitment to preventing modern slavery and human trafficking within their operations and supply chains.

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. 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.