

Responsible and Ethical Sourcing Policy

Canon Medical Systems UK Limited is committed to acting ethically and responsibly in all facets of our operations.

ESG (Environment, Social & Governance) is a basic value at CMSUK. Our key drivers, the Canon Medical Systems Group Standards of Conduct (SOC) SOC and our Net Zero by 2045 target requires us to ensure that our suppliers understand and are aligned with our ESG values. We encourage our suppliers to continuously work to implement sustainable development principles like the ones in our Partner Code of Conduct in their own operations and in their supply chain.

At CMSUK, ESG commitment is a fundamental part of our business philosophy. We recognise that the protection of human health and the environment is a sound business practice that conserves resources and safeguards employees, customers, the public and the environment and leads to us meeting our Net Zero target.

A responsible business should consider the potential impacts of daily business decision-making processes along with opportunities for conservation of natural resources, resource minimisation, and pollution control to ensure cleaner air and water and the reduction of landfill wastes. CMSUK requires its suppliers to conduct business in accordance with all applicable laws and demands that its suppliers adopt sustainable best practices in the conduct of their operations to conserve natural resources and minimise their environmental impact.

CMSUK expects its suppliers to support and respect the protection of human rights and ensure they are not complicit in human rights abuses. CMSUK expects its suppliers to follow universally accepted employment best practices and to prioritise health and safety. Suppliers are expected to comply with all applicable labour laws, including those related to wages, overtime, holidays, absences, disability, discrimination, maximum working hours and the legal right to work.

Responsible and Ethical Sourcing

Responsible and Ethical Sourcing encompasses all steps designed and taken to ensure sourcing is done ethically and is socially and environmentally responsible. Today, customers care about where their products come from and how they were produced (all the way back to the material source).

Responsible and Ethical Sourcing goals:

The objective of CMSUK's Responsible and Ethical Sourcing programme is to identify and eliminate any negative environmental and social practices misaligned with the CMSUK mission and vision. CMSUK's Responsible and Ethical Sourcing Programme specifically focuses on the goods and services that are core and essential to our business. Below is a summary of our program goals:

Responsible and Ethical Sourcing Goals

- By end 2023, all CMSUK's suppliers (above £2,000 annual spend) will have been assessed against the CMSUK Responsible and Ethical Sourcing policies and requirements.
- From March 2023, all new suppliers will be assessed against and must meet the Responsible and Ethical Sourcing policies and requirements before they can be used.
- By mid 2024, all suppliers that CMSUK determines as high risk under our Responsible and Ethical Sourcing standards will have been assessed by audit.
- By the end of 2025, ALL suppliers (above £2000 annual spend) have been assessed and comply with CMSUK Responsible and Ethical Sourcing policies and requirements

Continuous Improvement

- 1- Every supplier agrees to support our Carbon Net Zero journey.
- 2- Every supplier will be evaluated at least every 2 years for ESG Performance.
- 3- High Risk suppliers will be evaluated annually, and CMSUK may consider deploying on site audits.
- 4- As proof of compliance with CMSUK's Responsible and Ethical Sourcing Programme requirements CMSUK will accept third-party verifications when those third parties are deemed by CMSUK as a credible source of verification. Currently, that list would include Eco Vadis, SEDEX and B-Corp, among others.
- 5- CMSUK will deploy a Training Programme on Responsible and Ethical Sourcing for its procurement team.

CMSUK's Responsible and Ethical Sourcing Programme Expectations for suppliers.

CMSUK encourages and requires suppliers to:

- Continuously improve their products and/or services so as to improve quality, reduce cost and reduce the impact of their products on the environment.
- Maintain accurate supply chain records.
- Identify, set targets and implement action plans towards Carbon Net Zero, reducing environmental impacts in the areas of water and energy use, wastewater discharge, greenhouse gas emissions, generation of waste, landfill use and packaging.
- Strive to reduce their environmental footprints, commit to continuous improvement on sustainability issues, and support the achievement of the goals of CMSUK's 2045 Net Zero programme.
- Source raw materials from sustainable sources and where practical support the Circular Economy

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