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Supplier Policy

Contents

Policy statement	3
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Definitions	3
Associate	3
CEO	3
Employee	3
Sonic	3

To whom does this policy apply?	4
--	----------

Compliance with the law	4
--------------------------------	----------

Code of conduct - ethical standards	4
--	----------

Environmentally sustainable business practices	4
---	----------

Social Responsibility	5
------------------------------	----------

Adherence to Sonic's procedures	5
--	----------

Supplier selection	6
---------------------------	----------

Policy statement

Sonic Healthcare Limited (Sonic) is a global healthcare company focussed on delivering quality, independent services in laboratory medicine/pathology, radiology/diagnostic imaging and primary care medical services. To ensure that Sonic maintains its global reputation for quality, safety and service excellence, Sonic expects all suppliers, service providers and any other agents or third parties in Sonic's supply chain (collectively referred to as Suppliers) to adopt an approach to ethical business practices and sustainability that is consistent with Sonic's high standards.

The Board of Directors, CEO and senior executives are responsible for setting the supplier policy and overseeing compliance, however it is the responsibility of every Sonic Employee who deals with Suppliers to ensure that this policy is followed.

This general company-wide Policy does not override specific policies, laws or regulations in the local jurisdictions, but instead serves to complement them. If there is a conflict between this Policy and a specific local policy, law or regulation, this conflict should be referred to the local CEO as well as Sonic's Company Secretary in Australia.

Sonic's Supplier Policy has been implemented to ensure that Sonic's Suppliers will:

- comply with all relevant laws and regulations including observing regulations regarding discrimination, equal opportunity, work health and safety, and individual and human rights
- conduct their business in an ethical manner
- undertake their activities in a safe manner, without putting themselves or others at risk
- pursue environmentally sustainable business practices
- treat all individuals, including employees and customers, with respect and dignity
- adhere to Sonic policies and procedures.

Sonic's major Suppliers (those suppliers whose commercial relationship with Sonic meets appropriate quantitative and qualitative materiality thresholds) have been provided with this Policy and asked to confirm that they will comply with the Policy.

Definitions

Associate

Associate means any third party (individual or organisation) who is not an employee, but is performing work on behalf of Sonic Healthcare (or a Sonic Healthcare subsidiary). This includes, but is not limited to, consultants, contractors, joint venture partners (and their employees), stakeholders and other business partners.

CEO

Means the chief executive officer, president or equivalent business head of a Sonic subsidiary.

Employee

Any person conducting business on behalf of Sonic Healthcare (or a Sonic Healthcare subsidiary), whether employed in a permanent, casual, fixed term, temporary or agency capacity.

Sonic

'Sonic' means Sonic Healthcare Limited and its subsidiaries, being all companies within the Sonic Healthcare Group worldwide (including controlled joint ventures).

To whom does this policy apply?

This Policy applies to all Sonic suppliers in our global supply chain.

Compliance with the law

Sonic requires its Suppliers to ensure that they, and all of their officers, employees, agents, contractors and other representatives, adhere to all applicable laws and regulations. In addition, Suppliers are required to ensure that they do not commit or participate in any acts of fraud, corruption, bribery or other conduct that either breaches laws relating to such conduct, or would reflect adversely on themselves or Sonic.

Code of conduct – ethical standards

Sonic has adopted a Code of Conduct (Code) that outlines the standards required for Sonic's people to conduct themselves with the highest ethical standards. All Sonic Employees are informed of the Code. The Directors regularly review this Code to ensure it reflects best practice in corporate governance.

Sonic expects its Suppliers to adhere to similarly high standards of ethical conduct at all times. This includes:

- ensuring they do not become involved in situations that would constitute a conflict of interest with their commercial relationship with Sonic
 - treating all commercial information as confidential especially in, but not restricted to, their dealings with competitor organisations
 - treating all patient and other sensitive information as strictly confidential including compliance with relevant privacy legislation in each jurisdiction
 - ensuring any gifts provided to customers, including Sonic, be of nominal value
 - not offering Sonic staff members paid travel expenses, accommodation or conference registration without consent from the Sonic staff member's CEO to do so
 - restricting any market sensitive information obtained from Sonic to only those employees within the Supplier organisation with a direct 'need to know'
 - not making disparaging, untrue or misleading statements about Sonic, Sonic Employees, competitors, customers or other industry participants
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Environmentally sustainable business practices

Sonic recognises its corporate responsibility to respect and improve the environment in which we work and live. Sonic is committed to meeting all legislative environmental requirements, to minimising pollution and waste and to achieving continual improvement in environmental performance.

In addition, Sonic is committed to:

- seeking to continuously reduce water usage within the requirements of delivering high quality healthcare and, as far as practicable, maximising efficient water management
- identifying and reducing waste, conserving resources by adopting sustainable purchasing principles where clinically appropriate and commercially viable, and encouraging suppliers and contractors to address environmental management and performance
- reducing energy consumption and minimising greenhouse gas emissions
- providing education and training to Sonic staff and Suppliers on environmental matters including waste reduction strategies
- visiting Supplier and service provider sites to conduct inspection audits
- planning disaster mitigation strategies to reduce adverse environmental outcomes.

Sonic expects its Suppliers will adopt a similar approach to ensuring they conduct their business operations in a manner that promotes environmental sustainability, adheres to all relevant laws and regulations and aims to reduce waste.

Social Responsibility

One of Sonic's Core Values is to 'Treat each other with respect and honesty', with the objective of growing a workplace where trust, team spirit, and equity are an integral part of everything Sonic does.

In building commercial relationships with Suppliers, Sonic expects those organisations to adopt a similar approach to treating all individuals with whom they interact with respect and dignity, including employees and customers.

More specifically, this includes:

- adhering to all relevant laws and regulations in relation to non-discrimination, equal opportunity, sexual harassment and human rights
- acting in accordance with international human rights principles, including those concerning slavery and child labour and the principles contained in the UN Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work. Sonic will not tolerate slavery or human trafficking, or abusive or unfair treatment in any part of its own business or in any of its supply chains
- providing a safe, healthy, hygienic and comfortable workplace, including compliance with all relevant workplace health and safety laws and regulations, as well as abiding by the safety principles of each Sonic entity with which the Supplier has a relationship
- maintaining a blame-free work environment where employees are encouraged to report misconduct, illegal or inappropriate behaviour, free from any threat of reprisals or other adverse consequences (refer to Sonic's Global Whistleblower Policy on the Sonic Healthcare website)
- allowing all employment to be freely chosen
- employing only those individuals with a legal right to work in that jurisdiction
- complying with all relevant laws and regulations in relation to legal minimum rates of pay and other conditions of employment for workers, such as fair working hours, meal and rest breaks and other conditions designed to enhance employee health and safety
- prohibiting physical abuse, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation in both the workplace and in relationships with customers
- treating staff fairly and equitably, including providing written confirmation of their terms and conditions of employment where possible
- ensuring all employee entitlements and prescribed conditions of employment under relevant laws and regulations are adequately implemented and accounted for

Sonic expects its Suppliers to maintain their own ethical sourcing policies and to apply these standards to their own business, across all of their workers, suppliers and any sub-contractors engaged in their supply chain.

Adherence to Sonic's procedures

Sonic has developed a set of procedures to enhance and streamline commercial relationships with Suppliers, to protect Sonic's data integrity and to protect Suppliers' safety when on site in Sonic laboratories and other locations. Sonic expects Suppliers to adhere to these procedures. These include:

- maintaining a current and valid insurance program that continues for the duration of the supply contract with Sonic. This includes, as a minimum, liability cover for professional indemnity, public liability and workers compensation
- developing and implementing a safe system of work and providing evidence of this to Sonic and its entities upon request
- adhering to the safety standards of each Sonic entity, which may include registration when visiting on site, familiarisation with the location specific requirements prior to conducting work, reporting incidents that occur at any Sonic site, adhering to the Supplier's safe systems of work. adhering to the procurement policies of Sonic, which include referring all pricing, contractual and other commercial matters to the Sonic procurement department in the relevant jurisdiction
- adhering to any (cyber) security requirements and standards and reporting any information incidents that may occur in a timely manner to ensure data loss or exposure is minimised
- not using any data obtained in the course of the relationship for secondary means without the express permission of the data owner.

Supplier selection

Sonic is committed to the procurement of quality goods and services that demonstrate whole-of-life value for money. Sonic is also committed to social and environmental responsibility. When selecting Suppliers, Sonic undertakes an assessment of their social policies and credentials, particularly their compliance with modern slavery laws. Sonic also assesses environmental policies and credentials and may undertake a formal review. Sonic may require Suppliers to provide evidence of their own ethical sourcing policies and compliance with those policies.

Sonic reviews Supplier compliance through a formal assurance program, including formal internal audits, undertaking supplier risk assessments and undertaking performance review meetings. Sonic reserves the right to report violations, non-conformances and actions taken in the annual Corporate Responsibility Report.

Sonic seeks to work with Suppliers who share these principles and who are prepared to commit themselves to meeting the requirements of these principles. Sonic is committed to working with Suppliers to support necessary improvements, however it will also take action if Suppliers do not meet the requirements of this policy and other related standards.