



October 2016

PURCHASING & SUPPLY CHAIN POLICY STATEMENT

MDTi aims to act responsibly and professionally in all its commercial activities and in its relationships with its suppliers and customers. At all times, we will act with integrity and aim to be fair, honest and open.

MDTi is a private company that works in collaboration with strategic partners in the healthcare industry. The company brings to market innovative medical devices that are easily understood and uncomplicated but provide real benefits to practitioners and patients to make health care more efficient and safer. As the company subcontracts manufacturing product and purchase goods and services from a wide variety of suppliers, from large international organisations to specialist local suppliers, based in the UK. This policy sets out certain minimum standards which we require our Contractors and suppliers to meet, and these are clearly stated. We recognise that there will be suppliers that will find it harder to meet the exacting standards expected of large international corporations. In those cases, we will expect such suppliers to meet the requirements of the MDTi SME Audit and to demonstrate continuous improvement.

As a minimum, our procurement activity will comply with the relevant International Labour and Health and Safety standards, NHS Code of Conduct, Company regulations and will reflect our ongoing commitment to first class healthcare manufacturing, supplies, procurement and Corporate Responsibility (CR).

We will buy direct from manufacturers, to maintain a robust supply chain, ensuring traceability and due diligence. In 2016, we have refreshed our Contractor/Supplier assurance programme detailing minimum standards to be adopted. This programme supports the assessment and evaluation of products, services and suppliers against strict criteria including safety, value, quality, operational requirements, environmental performance, ethical policy, specification, service level, ability to supply, responsiveness, customer focus and performance. These individual policy elements are set out in more detail below.

All Contractors/Suppliers will be selected and retained by a non-discriminatory negotiation and tendering process. All the elements cited in this policy will be reviewed regularly and consideration will be given to all feedback from suppliers and customers.

To ensure that this policy is implemented by MDTi, and to drive a continual improvement in performance, this policy requires the support and action of all employees. Communication, training and consultation are therefore a key requirement at all levels.

We aim to identify and share best practice and knowledge where possible. To achieve this, we are a member of Medilink Industry Body, work with a range of partner organisations, and are engaged in many forums with Government Departments, Agencies and non-Government Organisations (NGOs).

This policy will be made available to all interested parties.

Policy Elements

CR & sustainability

MDTi recognises that in all its operation it has a significant impact with its stakeholders, contractors/suppliers and consumers. We have both a legal and moral responsibility to consider the social impacts of our activities, at all levels of the business, our purchasing policies. We measure the success of our business not just in economic terms but also in terms of environmental and social aspects; all elements add to the value of the company and to its suppliers and employees.

We seek to ensure that best practice in CR principles, and statements are incorporated in our business policies. We pay attention to ethical and sustainable sourcing, labour standards, environmental impact and performance and our relationships with our suppliers and customers.

Our positive selection of contractors/suppliers will, where practicable, include a review of the suppliers' policy and actions in relation to good CR practices, via our detailed Supplier Evaluation Questionnaire on Corporate Responsibility. We expect our larger suppliers to meet a robust set of CR criteria and we encourage and assist the adoption of best practice amongst all contractors/suppliers.

CR objectives and performance will be reviewed annually by the CEO.

The policy elements set out below further reflect our commitment to CR and sustainability.

Health & Safety & Quality

MDTi is committed to ensuring that all products provided to its customers and consumers are of consistent quality, safe and fit for purpose. As a minimum, our procurement activity will comply with the relevant Health and Safety standards, Codes of Practice, Company regulations and standards relevant to the countries in which we seek to serve.

All prospective contractors/ suppliers will be assessed before being accepted; this involves the completion of our Supplier Evaluation Questionnaire which includes detailed questions on Health and Safety.

We will establish clear specifications for products against which products will be regularly assessed to ensure compliance.

We will establish comprehensive procedures to deal with all complaints and product recalls to ensure that all are rapidly informed of product recalls and important safety matters.

Ethical trading

MDTi is committed to ensuring that all our dealings with contractors/suppliers, from the point of search and selection, through to supply and payment, are conducted in accordance with the guiding principles of responsible and ethical trading.

We will act broadly in line with, but no less than, the Base Code of the Ethical Trading Initiative. The key elements of the Base Code are:

- Employment is freely chosen
- Freedom of association and the right to collective bargaining is respected
- Working conditions are safe and hygienic
- Child labour shall not be used
- Living wages are paid
- Working hours are not excessive
- No discrimination is practised
- Regular employment is provided
- No harsh or inhumane treatment is allowed.

Our ethical good practice is promoted by positive selection of contractors/suppliers demonstrating the good practice noted above, and by the encouragement of best practice amongst all contractors/suppliers. We will expect our contractors/suppliers to adopt a similar position with their supply base and to implement similar internal policies to those of MDTi.

National, regional and local supply

MDTi is committed to supporting national production, and manufacturing entering its supply chain. Equally, the nature of our business means that we contract with a wide variety of suppliers, to mutual benefit.

Value for money, price competitiveness, quality and sector factors, will necessarily be part of these considerations.

Assurance schemes

MDTi aims to ensure that purchased supplies meet required minimum production and quality standards. We require all suppliers to ensure, and demonstrate by third party verification provision of current and appropriate certificates (or bona fide copies), and by brand or assurance standard logos, that all such goods supplied to us meet or exceed all appropriate production or quality standards.

We will continue to monitor research and developments in the different assurance schemes available and evaluate their application to our supply chain. We will also assist our suppliers, in understanding and meeting such requirements.

We will work with health organizations, suppliers and stakeholders to promote the use of healthcare assurance schemes that achieve best practices. We will do this by using up to date knowledge of health reforms, ethics, scientific knowledge and legislation.

We are further committed to achieving an integrated supply base to allow, wherever

possible, whole-life traceability.

All suppliers must ensure, and demonstrate by third party verification, certificates and use of logos, that all manufactured product supplied to us complies with the production, quality and traceability standards applicable in the local marketplace.

Environment

MDTi recognises that it has an impact on the environment when operating its business. It is therefore our aim to reduce the negative environmental impacts caused by our business and operate in a responsible and sustainable manner. We are committed to the MDTi Environmental Policy and the achievement of continual improvement in environmental performance.

Regarding procurement our policy is to:

- Comply with all relevant, current environmental legislation and codes of good practice affecting our business and be prepared to meet impending legislative requirements wherever practicable
- Reduce the environmental impact of our operations through the specification and selection of suitable products and packaging
- Assess suppliers' environmental practices before their appointment including, where practicable, their completion of our detailed Supplier Evaluation Questionnaire on the Environment
- Ensure that all suppliers can demonstrate environmental awareness through the implementation of their own policy and, as a minimum, comply with all relevant legislative requirements.

Wellness and Wellbeing

MDTi recognises the impact that its supply of product can have on the health and wellbeing of its consumers, particularly persons in education, hospitals and other institutions. We strive to set high standards in 'healthier care' and will consider thoroughly aspects of lifestyle in our policy-making and procurement strategy.

We will report in October of each year on our progress.

Martin Levermore MBE
Chief Executive Officer
MDTi