

Modern Slavery Statement for the year ended 31 December 2020

18 February 2021

Smith & Nephew plc and its subsidiaries (together Smith+Nephew) are committed to preventing slavery and human trafficking in its 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 vendors in our supply chains. It is published in accordance with the requirements of the UK Modern Slavery Act 2015 Section 54 and relates to actions and activities during the financial year 1 January 2020 to 31 December 2020. This statement has been approved by the Board of Smith & Nephew plc and each of its relevant subsidiaries, T.J.Smith and Nephew, Limited, and Smith & Nephew UK Limited. Publication approval was granted by Smith & Nephew plc's Disclosure Committee on 17 February 2021.

Details of our subsidiaries are set out in Smith & Nephew plc's 2020 Annual Report, which will be published on 1 March 2021.

Smith+Nephew's commitment – our Code of Conduct and Business Principles

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 and relevant Company policies and procedures.

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 and Business Principles specifically relates to those who perform services for and on our behalf. We have provided the Third Party Guide to working with Smith+Nephew on our website in order to support this initiative:<https://www.smith-nephew.com/compliance/code-of-conduct-and-business-principles/third-party-guide-to-working-with-smith---nephew/>.

"It's up to everyone who works for us – or on our behalf – to share that responsibility by upholding our reputation for integrity and ethical conduct, because the sustainability of our business depends on doing things the right way. As a global company with thousands of employees, we rely on each other to take personal accountability for doing the right thing. No desire to make the numbers, gain a competitive advantage or follow an order should ever stand in the way of our commitment to integrity. Without our reputation, we put at risk everything we have worked so hard to achieve."

Roland Diggelmann, Chief Executive Officer, introducing Smith+Nephew's Code of Conduct

About Smith+Nephew

Smith+Nephew is a portfolio medical technology business that exists to restore people's bodies and their self-belief by using technology to take the limits off living. Through our purpose, Life Unlimited, our 18,000 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 franchises 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 complex clinical needs, to help healthcare professionals get CLOSER TO ZERO 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 & 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 eight countries across the globe and have central distribution facilities in the US, Europe and Asia.

Smith+Nephew's supply chain network includes more than 3,000 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.

Third Parties & our Code of Conduct

We select third parties based on their qualifications, reliability and adherence to applicable laws and our values. We take all reasonable steps to select partners that are committed to following the law and ethical behaviour. We work with third parties who adhere to business principles and health, safety, social and environmental standards consistent with our own. We are committed to sourcing materials from responsible suppliers. We conduct due diligence of our suppliers on origin, source and chain of custody of conflict minerals.

The **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. The 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.

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 by the Company, subject to compliance with applicable laws.

We have a robust whistle-blowing procedure in all jurisdictions in which we operate (subject to 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.

The Chief Legal & Compliance Officer is responsible for reviewing Smith+Nephew's Code of Conduct and for addressing compliance-related concerns. The Chief Legal & Compliance Officer may, depending upon the nature of the violation, report it to the Compliance & Culture Committee of the Board.

Actions undertaken in 2020

1. All Smith+Nephew employees received annual training on the Code of Conduct.
2. Relevant employees (including procurement staff) undertake training on modern slavery issues and risks.
3. Our Third Party Seller Global Compliance Programme ensures that due diligence is cleared before we engage with a distributor or agent who generates demand for our products. We provide training to reinforce our expectations for compliant and ethical behaviour and clear rules for third parties to follow. Guidance supports the Smith+Nephew employees who manage and work with our distributors and agents.
4. We continue to enhance our due diligence and other controls around vendors, suppliers and service providers to make it easier for employees to evaluate supplier and third party related risks. We continue to integrate these controls into the Company's purchasing system in parallel with our commitment to continuous improvement of our operating systems, controls and procedures across the group.

5. Our procurement team undertakes due diligence with new suppliers prior to onboarding which includes evaluating modern slavery and human trafficking risk.

Suppliers are required to provide information regarding their labour standards in the following areas:

- Employment being freely chosen
- Freedom of association and the right to collective bargaining
- Working conditions
- Child labour
- Minimum wage laws
- Working hours
- Discrimination
- Regular employment
- Harsh and/or inhuman treatment

Supplier responses are reviewed and follow up due diligence with the supplier is conducted where necessary to evaluate supplier risk. If the information obtained through the due diligence process substantiates a modern slavery risk, the relevant supplier will not be onboarded or used.

6. We appointed a dedicated Procurement Manager to lead supplier Corporate Social Responsibility (CSR) efforts as a key focus for the group.
7. We completed a plan to assess our supplier CSR risks. Labour standards risks are assessed based on supplier country or commodity. New suppliers are assessed prior to onboarding, and all Tier 1 legacy suppliers will be assessed in 2021 (see our Sustainability Report for further details: <https://www.smith-nephew.com/sustainability/>).

The procurement team undertakes enhanced due diligence with an identified subset of existing suppliers, which includes evaluating modern slavery and human trafficking risk. If issues are identified, we will work with the supplier to mitigate risks and, if risks cannot be mitigated to our reasonable satisfaction, take steps to terminate the supplier relationship.

8. In accordance with our Conflict Minerals Policy, we encourage transparency in our supply chain. Our conflict minerals due diligence process was designed in accordance with the five step Organisation for Economic Co-operation and Development (OECD) Due Diligence Guidance. In 2019 (the latest available information), for the fifth consecutive year, Smith+Nephew declared conflict-free on US Securities and Exchange Commission Form SD.

Further steps

Our CSR risk management process includes:

- Screening potential suppliers for labour standards risks prior to onboarding;
- Identifying and screening approved suppliers for labour standards risk;
- Conducting further due diligence with suppliers identified as having potential labour standards risk; and,
- Raising corrective action requests and tracking mitigating actions through management review.

Smith+Nephew has implemented what we believe to be a world-class Global Compliance Programme that helps our businesses comply with applicable laws and regulations. We benchmark our performance, assess the compliance controls in Smith+Nephew's businesses and continuously seek ways to improve our performance.

In addition to the measures noted above, we will continue to review our practices related to modern slavery and human trafficking and comply with the requirements of the Modern Slavery Act.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'R. Diggelmann', written in a cursive style.

Roland Diggelmann

Chief Executive Officer

18 February 2021