

# ParagonCare

Clifford Hallam Healthcare

## Modern Slavery Statement 2025



Environment. Responsibility. Community.

## A message from our CEO

ParagonCare is committed to respecting human rights across our business, and the global supply chain. As one of Australia's leading providers of medical equipment, devices, and distributors of healthcare products we continue to commit to our responsibility in working towards improving and driving positive change across our business and the wider supply chain network.

Our ESG Steering Committee remain focused on educating and supporting our teams in understanding and prioritising the safeguarding of human rights and make this issue embedded in our culture.

Being transparent is key as we acknowledge that identifying actual, or potential instances of modern slavery, demonstrates the effectiveness of our modern slavery processes and actions.

The governance is in place to ensure we operate our business and source our products ethically, and sustainably. Our modern slavery strategy matures year-on-year, we remain committed to learning, growing, and striving to continually improve our approach.

Thank you to the team at Paragon Care, our business partners, and customers for their continued commitment to education and action in breaking down the barriers in modern slavery.



David Collins

*Shareholder, Managing Director/Chief Executive Officer*

*This statement was approved by the board of ParagonCare Limited*

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*ParagonCare acknowledges the Traditional Owners of Country throughout Australia and pays its respects to Elders past and present. We recognise their rich cultures and continuing connection to land, water, and seas.*

*Aboriginal and Torres Strait Islander peoples are advised that this document may contain names and images of people who are deceased.*

### The Facts

- 27.6M people in forced labour
- 54% of victims are women and girls
- 1 IN 4 victims are children
- AN ESTIMATED 50 MILLION PEOPLE LIVE IN MODERN SLAVERY TODAY

Source: UN report - International Labour Organisation, The United Nations & Walk Free Foundation data as available on the internet.

## About Us

In June 2024, Clifford Hallam Healthcare (CH2) a leading distributor of healthcare products to the Australian Healthcare market, merged with ParagonCare (an Australian based listed company in the healthcare sector, and a leading provider of medical equipment, devices, and consumables to the healthcare markets in Australia, New Zealand, and Asia). This merger brings the best of both businesses to its customers in terms of an extensive product range to offer a consolidated procurement solution of pharmaceutical, medical consumables, medical devices, and equipment products. ParagonCare now and have staff working across Australia, New Zealand, and Asia. This report now covers the combined business of CH2 and ParagonCare under the parent company Paragon Care Limited.

ParagonCare is committed to managing the risks of modern slavery and addressing human rights violations within our operations and extensive supply chain. With continuous improvement we strive to achieve this in accordance with our values, stakeholder expectations, industry expectations and the law.

ParagonCare supports the protection of human rights, and equity and fairness in our operations and supply chain. We acknowledge that modern slavery is a global and pervasive risk and that managing this risk is an ongoing responsibility.

Modern slavery is a severe violation of human rights and a serious form of exploitation. It occurs when a person is coerced into work and exploited for personal or commercial gain. Under Australian and international law, it includes offences such as forced labour, servitude, child labour, deceptive recruiting, and debt bondage.

This Modern Slavery statement has been prepared in accordance with the Australian Modern Slavery Act 2018 (the Modern Slavery Act). It describes the risk of modern slavery in our own operations and our supply chains during the period 1st July 2023 to 30th June 2024 and details the steps ParagonCare has taken to identify the risks of modern slavery and the effectiveness of these steps.

### Australian Modern Slavery Action Mandatory Reporting Criterion

- Identify the reporting entity and supply chains of the reporting entity
- Describe the risk of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls
- Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls to assess and address those risks, including due diligence and remediation processes
- Describe how the reporting entity assesses the effectiveness of such actions
- Describe the process of consultation with any entities that the reporting entity owns or controls
- Provide any other information that the reporting entity, or the entity giving the statement, considers relevant

## Guiding Principles

Our guiding principles of '1 Culture' underpin the businesses drive for fairness, ethical behaviour, and continuous improvement across the organisation. ParagonCare have several policies in place to ensure we have the necessary controls to mitigate modern slavery risks in our business and operations.

**Code of Conduct** - framework around conduct required of our employees. It provides guidance with respect to expected and acceptable standards of behaviour that are aligned with the Group's core values (which includes acting lawfully and therefore acting in accordance with the Act). This Code of Conduct is issued to all employees upon induction. All decisions made by the organisation are guided by these principles.

**Modern Slavery Policy** - sets out our commitment to combatting Modern Slavery in our business and supply chains. This expectation extends to contractors, suppliers, and business partners.

**Whistleblower Policy** - provides protection for employees, suppliers and other third parties by encouraging a "speak up" culture. It outlines the mechanisms available for reporting and the investigation of misconduct. It also advises of the protections available to eligible whistleblowers. This policy also ensures the integrity and safety of employees, and concerns can be raised anonymously.

**Sustainable Procurement Policy** – outlines the expectation of the organisation for sustainable procurement of externally sourced goods and services to achieve positive environmental, social and economic impact over the entire life cycle, whilst simultaneously meeting legislative requirements and balancing its obligation to customers and suppliers, to operate efficiently.

**Risk Management Policy** – sets the framework for managing risks within the Group.

Ongoing training on ethical behaviour and values and our commitment to relevant laws and principles are provided to the team throughout the year, including refresher training. Employees also receive awareness training on the Modern Slavery Act to ensure there is a high level of understanding of the risks of modern slavery and human trafficking.

### General Principles

- Compliance with applicable laws and regulations
- Business ethics

### Management Systems

- Monitoring and enforcement of these principles

### Labour and Working

- Child labour, forced and bonded labour
- Wages and benefits, Working hours,
- Non-discrimination
- Labour union, collective bargaining

### Health and Safety

- Safety and working condition of workers
- Emergency preparedness and response

### Environment

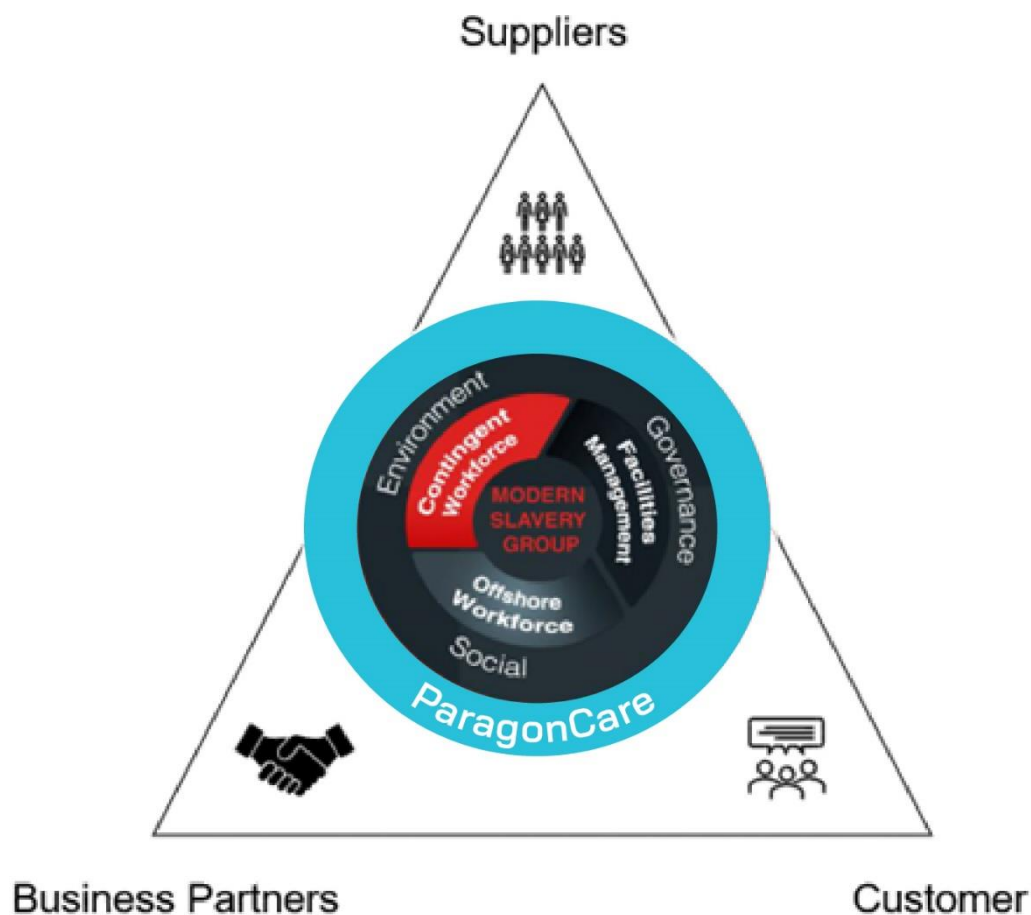
- Compliance with local environmental laws and regulations
- System to mitigate accidental spills and releases

## Managing labour rights and modern slavery in our internal operations

ParagonCare utilize auditing, training, education and awareness, supplier and business partner engagement, consultation, and third-party audits, to manage risks of modern slavery and human trafficking in our supply chain. Manufacturers engaged for our Private Label are reviewed and audited to assess, monitor, and act. All new contracts are reviewed to ensure all parties have a clear understanding of modern slavery and actions required to mitigating risk in the supply chain. Tier one wholesale suppliers that are required to comply with the Australian and relevant international standards on forced labour and Modern Slavery and are required to submit their Modern Slavery Statements and their commitment to their action plans. All stakeholders are encouraged to identify risks, raise concerns, and share open learnings to ensure that we come together to improve the supply chain we all operate in.

## Key Risks and Mitigating Actions:

ParagonCare has identified key areas of risk to the modern slavery act, including direct operational risks and offshore business partners. These risks are presented to the CSR Steering Committee for assessment and monitoring throughout the year. ParagonCare encourage every employee to have a voice and be transparent and participate in our Corporate Social Responsibility.





Risk Areas	Overview	Actions
<b>Contingent Workforce</b>	ParagonCare has a contingent of workers at most warehouses who are employed through registered labour hire groups across Australia to support operational needs for labour and customer demand.	All labour hirer staff are employed under the same conditions as full-time staff and are covered by the Enterprise Agreements where applicable, otherwise they are covered by the applicable Award. ParagonCare works with each labour hire group to ensure all staff are paid as required and where applicable on the time of service offered full-time or part-time positions based on their hours of work.
<b>Facilities Management</b>	The ParagonCare team have been trained in understanding and identifying keys risks with service providers engaged to provide services to all facilities in the areas such as drivers, cleaning, or other sub-contracted areas. There is a higher reliance on migrant labour and base-skilled workers often from low-English speaking countries. ParagonCare understands that this creates a higher risk of exploitation.	All service providers have been engaged via a supplier survey to respond on their level of commitment and understanding of Modern Slavery Law. While many of the service providers are not required to have a Modern Slavery Statement, ParagonCare have received responses from service providers of all sizes who engage with the organisation on their understanding and commitment to follow the expected employment standards with all staff. Pleasingly, all business partners are responsive and provided commitment that no unlawful practices are used in their organizations or in providing services to ParagonCare. ParagonCare engage closely with our Direct Fleet Drivers daily to ensure driver conditions are maintained as per contractual agreements and the sub-contractor's own commitment to modern slavery and their shared internal policies and procedures. Drivers are welcome on site and are seen as an integral part of our wider team.
<b>Offshore Vendors – Suppliers</b>	ParagonCare sources products from a range of different types of suppliers with over 600 separate companies supplying in this stream. It has been identified that most providers in the pharmaceutical and medical device supply are in a highly regulated industry that are multinationals that are governed by modern slavery human rights and labour laws.	Yearly surveys are conducted to ensure relevant suppliers provide Modern Slavery Statements. Further review of smaller suppliers is still being conducted to understand their end- to-end supply chain, including product sourcing. All Tier 1 suppliers are compliant with Modern Slavery Statements and their commitment to local and international modern slavery and human rights labour laws.
<b>Private Label Suppliers</b>	ParagonCare has a long-term relationship with our Private Label provider who has agreements with large-scale manufacturing companies based in China, Malaysia and Thailand producing own branded product range. ParagonCare does identify the supply from these regions as a risk of the companies engaging in modern slavery behaviour. The Responsible Sourcing Program initiated by our Private Label provider is the key to ensuring all products manufactured for ParagonCare have been audited and meet the requirements of the sourcing program.	All suppliers are audited every 3 years. “Critical Issues” will trigger PO Hold immediately. Any “Normal Issues” (minor nonconformance) will allow suppliers to provide corrective action and will be re-audited within 90 days to ensure issues are properly closed. Our Private Label provider has joined the United Nation (UN) Global Compact initiative to strengthen their commitment to human rights within operations and supply chain.
<b>Offshore Workforce</b>	ParagonCare have a team of outsourced staff in Manila, Philippines. ParagonCare also has operations in Japan, Korea, Thailand, Vietnam and New Zealand.	ParagonCare take direct responsibility for our team's based in Asia. The team are engaged regularly with the Australian team. Regular audits on our outsourcing partner are conducted with reference to the treatment of staff. Conditions of the Asian teams are in line with their Australian colleagues, including our work from home policy. During 2024, members of our Australian team visited these sites. The Asian Team Leaders also attended the Annual Conference in October 2024 held in Australia.

## Quality

ParagonCare aims to constantly provide the best quality control measures through its process, standards, and people. The dedicated Quality Department ensures these standards are met at each of our warehouse locations. The organisation has developed a business management system that meets the specific requirements of AS/NZS ISO 9001:2015, and ISO 13485.

This integral management system incorporates all key business management functions that provide consistency throughout the business.

The business also received certification for ISO 14001 (Environmental Standards) across 8 sites in 2024.

## Governance and accountability

ParagonCare has continued to evolve the organisation and has expanded the governance structure to include the CSR Steering Committee and two working groups to develop and improve in the areas covered by each working group. ParagonCare has a stable workforce employed directly under the terms of the National Employment Standards (NES), employment contracts covering 5 National Awards, and 2 Enterprise Agreements. ParagonCare upholds the right of staff to freely associate and collective bargaining with Union representation.

### *ParagonCare workforce as at the year ending December 2024.*



**Operations 45%**  
**Balance 55%**



**Australia/NZ 82%**  
**Asia 18%**



**Permanent 87%**  
**Labour Hire 13%**



**Male 48%**  
**Female 52%**

## CSR GOVERNANCE STRUCTURE

Board of Directors

Audit & Risk Committee

Managing Director & CEO, Executive Leadership Team

CSR Steering Committee

### Modern Slavery, D&I Working Group

Covering:

- Supply chain
- Service providers
- Private labels
- Payroll accuracy
- Casual labour
- Right to work
- D&I policy
- D&I Program development & training
- Reconciliation Action Plan (RAP)

### Environment Working Group

Covering:

- ISO 14001 program
- Environmental improvement ideas
- Sustainable procurement
- Waste reduction
- Carbon emission

## ParagonCare's governance for modern slavery in internal operations and supply chain

<b>Board of Directors and CEO</b>	Provides strategic direction and oversees the effective management and performance of the organisation. Holds the ultimate responsibility for approving our Modern Slavery Statement. Responsible for overseeing and reviewing the management, administration, and governance of the Company, including overseeing ParagonCare's strategic direction.
<b>Leadership Team</b>	Implementation and management of labour rights standards is the responsibility of the Finance Operations Manager. The CEO and wider Leadership Team are accountable for overall implementation of ParagonCare's strategy, including reviewing and implementing the CSR Steering Committee objectives.
<b>Audit &amp; Risk Committee</b>	Oversees ParagonCare's internal audit and controls. Reviews internal audit assessments of our internal operations, including its labour and social performance.
<b>CSR Steering Committee</b>	The committee will set the direction and oversee the working groups to review the implementation and effectiveness of company's policies, procedures, and actions about modern slavery risk and human rights. Ensuring that the training, education, and commitment are transparent and provided to all employees within the organisation.
<b>Modern Slavery Working Group</b>	A cross-functional and multi-jurisdictional group including representatives from the business units of procurement, legal and compliance, risk and sustainability who are responsible for the development and implementation of policies, practices, and reporting on modern slavery across our operations and supply chain. The modern slavery working group is overseen by an Executive Steering Group who provide oversight of strategy and initiatives. Progress against our modern slavery strategy is regularly reported to the CEO, Management Committees and Audit, Risk and Compliance Committee. This working group meets regularly to drive the continuous improvement in ParagonCare's approach to tackling modern slavery risk. The working group collaborates with the regional working groups and shares best practice outcomes and expertise across areas such as due diligence analysis, training, and remediation (if required). Responsible to review processes and develop plans for better identification and management of modern slavery and labour rights risks in our third-party supply chain. Reporting back to the CSR Steering Committee on new and current project delivery.
<b>HR Team</b>	Responsible for managing risk in the recruitment and management of employees in Australia, New Zealand, and Asia.
<b>Finance Operations Manager</b>	Responsible for managing staff set-up in the payroll system and payroll accuracy.
<b>Quality Assurance Manager</b>	Liaises with the private label providers Global Quality Assurance, Regulatory Affairs and Compliance Team to ensure Australian standards are met and exceeded and full transparency is maintained. Coordinates internal and external quality audits, ensuring compliance with relevant standards.
<b>Private Label Business Unit Managers</b>	Responsible in ensuring Private Label products are sourced and manages risk on Modern Slavery and Labour Rights. Coordinates the reporting and communication in Audits conducted by the private label team.
<b>Procurement Manager</b>	Responsible in ensuring suppliers through ParagonCare's wholesale channel collaborate in mitigating risk in the supply chain. This will include committing to transparent information, education and solution sharing to support momentum in awareness and action across the globe.

### ParagonCare's policies and procedures with relevance to management of modern slavery:

- Modern Slavery Statement
- Code of Conduct
- Whistle Blower Policy
- Diversity and Inclusion Policy
- Key Contracts
- Private Label Contract
- Transport Contracts
- Terms of Trade Agreements

### Risk & Assessment of Operations & Policies

ParagonCare continues to review the potential risks in our operations and supply chain against those risk factors which may result in modern slavery. The organisation has not identified any specific instances of modern slavery harm in the current reporting timeframe in ParagonCare operations during 2024.

ParagonCare policies are reviewed regularly to ensure they are relevant and up to date, including:

- Code of Conduct
- Equal Employment Opportunity Policies
- Slavery awareness training for Board and Leadership Team
- Diversity & Inclusion Policy
- Procurement Policy/supplier handbook
- Whistle-blower Program
- All contracts include expectations to comply with the Modern Slavery Act

ParagonCare continues to develop and expand policies as necessary if further risks are identified and monitor the effectiveness of these steps with processes including.

- Board reports and senior management reviews
- Checks through ParagonCare's risk assessment processes
- Internal audits and supplier reviews
- Steering Committee and Working Group meetings and projects

## Reporting and Monitoring - EcoVadis ESG reporting

ParagonCare's utilizes EcoVadis ESG reporting platform for monitoring and critical assessment against global standards.

### Ongoing progress to date

- Developed a whole of business approach and the commitment of the team to embrace the education and training and to act.
- Training for all staff, including the Board and Leadership Team in Modern Slavery. Including refresher training.
- Maintained a clear Governance Structure to support our responsibility and take accountability.
- Establishment of the ESG Policy Framework and Modern Slavery Working Group. Reviewing our Modern Slavery Statement and sharing with our team and business partners, instilling call to action in place for any identified risks within the Supply Chain network
- Engagement with suppliers to provide their Modern Slavery Statements and implementing supplier due diligence and risk identification processes. All new contracts all include our commitments working together towards eradicating Modern Slavery
- Ensuring Private Label factories are audited to the appropriate standard and are clear on our zero-tolerance policy. The private label team have collaborated with supply partners and take proactive and immediate action to manufacturers that choose not to take early action on improving condition.
- Payment Times Reporting and Annualized Salaries
- Created Environmental Policy
- Created Sustainable Procurement Policy
- EcoVadis ESG Reporting Platform for transparency
- Yearly Survey on Modern Slavery to suppliers

### FY2024 Achievements

- Developed a Supplier Framework for onboarding, due diligence, and risk identification processes
- Reporting of modern slavery surveys and compliance for suppliers
- Establish a grievance framework within our supply chain control
- Continued to reinforce ParagonCare values around speaking up and making ethical decisions
- Reporting and Monitoring by continuing to build on our ESG reporting transparency
- Certification of all sites for ISO 14001 standards

## Ongoing Commitments

1. More detailed review of our risk management and supplier engagement. Including engaging and utilizing tools such as “Fair Supply” reporting
2. Measuring progress of Modern Slavery as part of our internal and external audit processes
3. Continue to build on our consistent approach to modern slavery discussions and our zero-tolerance policy
4. Broaden our cross-functional CSR team and Modern Slavery Working Group. ParagonCare will broaden the representation of our CSR team to ensure the cross-functional focus touches every area of the business. The CSR team will have representatives from across the ParagonCare’s functional areas.
5. The CSR steering committee will further review capabilities and identify strengths as well as any gaps in processes or data.
6. ParagonCare will communicate CSR progress and goals in sustainability and other reports to all its employees.

**The CSR (Corporate Social Responsibility) Steering Committee** continues to ensure coordination, consistency, and accuracy across regulatory reporting and stakeholder communication.

ParagonCare CSR team will have representation to cover:

- Sustainability and corporate responsibility, for information about corporate practices
- Human resources, to capture policies and programs around employee welfare
- Legal and compliance, for updates on regulatory reporting and obligations
- Information technology, for identifying, gathering, and analysing existing and new data streams
- Supply chain, for information about responsible sourcing practices
- Financial reporting, to align metrics and prepare for increased disclosures related to ESG
- Internal audit, as a first line of defense in testing data and controls
- Environmental health and safety, to offer guidance and data on current programs and align with existing regulatory reporting

## ParagonCare CSR leader

The CSR leader recruits support from colleagues across the company, build consensus on execution, and solidify executive commitment to the strategy and goals.

ESG leader identifies risks and opportunities and get support across the organisation.

## Roles and responsibilities of ParagonCare CSR team

Ensuring the roles and responsibilities support everyone within the organisation and to stay abreast of regulatory changes, customer requirements, and other new impactful information.

ParagonCare continues to develop a process for how the CSR team works together to:

- Identify new regulatory obligations for the team
- Triage and prioritize customer requests
- Collect industry and competitive benchmarking
- Determine next steps

## Conclusion

As an organisation, we are dedicated to preventing modern slavery and upholding human rights. Through strong governance, rigorous policies, and continuous improvement, we strive to ensure that our operations and supply chains remain free of exploitation.

This statement reaffirms our ongoing commitment to ethical business practices and our responsibility to foster a sustainable and equitable future.