



# Ethical labor and anti-human trafficking policy

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<b>Title</b>	Ethical Labor and Anti-Human Trafficking Policy
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## Statement of Policy

Laboratory Corporation of America Holdings and its subsidiaries (“Labcorp”) are committed to conducting business in compliance with all applicable federal, state, local and foreign laws and regulations. Consistent with this commitment, Labcorp will not tolerate Modern Slavery, which includes, human trafficking, forced labor, unlawful child labor, commercial sexual exploitation and/or other unethical or illegal labor practices by Labcorp employees and Third Parties or anywhere in Labcorp’s supply chain.

## Scope of Policy

This Policy applies to all Labcorp employees and Third Parties of Labcorp.

## Purpose

The purpose of this Policy is to set forth Labcorp’s commitment to compliance with Applicable Laws related to anti-human trafficking and ethical labor.

Labcorp has implemented compliance measures to avoid, detect, and address instances of Modern Slavery. Specific requirements apply to certain Labcorp contracts with the United States (“U.S.”) Government and subcontracts that are funded by the U.S. Government. See the *Compliance Plan for Combatting Human Trafficking Under U.S. Government Contracts*, available on myLabcorp.com or other Labcorp intranet sites, for an overview of compliance obligations applicable to such contracts and subcontracts.

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## Definitions

1. **Applicable Laws** – the United Kingdom (“U.K.”) Modern Slavery Act 2015, the U.S. Federal Acquisition Regulations, the California Transparency in Supply Chains Act, the Australian Modern Slavery Act 2018 and similar laws addressing Modern Slavery.
2. **Commercial sexual exploitation** – any actual or attempted abuse of position of vulnerability, differential power or trust, for sexual purposes, including, but not limited to, profiting monetarily, socially or politically from the sexual exploitation of another. This includes prostitution, transactional sex (the exchange of money, employment, goods or services for sex, including sexual favors, other forms of humiliating, degrading or exploitative behavior) and sexual abuse.
3. **Forced labor** - knowingly providing or obtaining the work, labor, or services of a person under threat or penalty, where the person has not offered himself or herself voluntarily. Such threats include threats of harm to, or physical restraint against, that person or another person. Forced Labor also includes debt bondage and involuntary or domestic servitude.
4. **Human trafficking** – the recruitment, movement, harboring and/or receiving of men, women and children by threat, force, coercion, abduction, fraud, deception, abuse of power or the giving or receiving of payments or benefits to achieve the consent of a person (who has control over another person) for the purpose of exploitation, including sexual exploitation, sex trafficking, Forced Labor or services, slavery or practices similar to slavery, servitude or the removal of organs.
5. **Illegal labor practices** – any labor practice that is unlawful in the country in which goods and services are provided. This includes violations of employment, minimum wage, discrimination and similar laws and regulations.
6. **Modern Slavery** – human trafficking, forced labor, unlawful child labor, commercial sexual exploitation and/or other unethical or illegal labor practices.
7. **Subcontractor** – supplier, distributor, firm, or other third-party entity or individual that provides goods and/or services on behalf of Labcorp.
8. **Third Party** – an agent, a consultant, a subcontractor, a vendor, a representative, an intermediary, a distributor, including their employees, or any other individual or entity engaged to provide services to or for Labcorp.
9. **Unlawful child labor** - labor that jeopardizes the physical, mental, or moral well-being of a child, either because of its nature or because of the conditions in which it is carried out; or work that deprives children of their childhood or education, their potential and their dignity, and that is harmful to physical and mental development; or the sale and trafficking of children and their entrapment in bonded and Forced Labor.
10. **Unethical labor practices** – any labor practice that is deemed undesirable, harmful or contrary to the Labcorp *Code of Conduct and Ethics*, whether enacted in law or otherwise in the country in which goods and/or services are to be provided. This includes charging employees recruitment fees, harassment, intimidation, and unsafe work environments.
11. **Vendor** – individual or entity (including its employees, subsidiaries and related entities) that will provide goods and/or services to Labcorp.

## Prohibition

Labcorp, its employees, and Third Parties shall not engage in Modern Slavery. Labcorp employees and Third Parties who violate this Policy will be subject to remedial action by Labcorp and may be subject to civil and/or criminal sanctions.

## Reporting

Employees are required to report all activities whether actual or suspected of involving Modern Slavery or any activity inconsistent with this Policy or Applicable Laws committed against themselves or others, including contracted workers (for

example, interns, janitorial staff, independent consultants).

Employees should make themselves aware of red flags and if identified, escalate for further review. Red flags are indicators of potential risk and can take many forms. Examples of red flags related to Third Parties are in Appendix 1 to this Policy.

Labcorp prohibits retaliation in any form against any person for reporting in good faith any suspected violation or violation of law or Labcorp policy. Employees may report activity without fear of retaliation directly to:

1. Managers or Supervisors
2. Corporate Compliance Department
3. Law Department
4. Chief Compliance Officer
5. *Global Action Line* available via phone or at [www.Labcorp.com/globalactionline](http://www.Labcorp.com/globalactionline). See *Action Line Policy (BPM-10)*

### **Additional Resources**

Labcorp's *Compliance Plan for Combatting Human Trafficking Under U.S. Government Contracts* is available on Labcorp intranet sites.

Information about U.S. Anti-Human Trafficking & Forced Labor initiatives can be found at the website for the Department of State's Office to Monitor and Combat Trafficking in Persons at <https://www.state.gov/bureaus-offices/under-secretary-for-civilian-security-democracy-and-humanrights/office-to-monitor-and-combat-trafficking-in-persons/>.

For information about the U.K. Modern Slavery Act 2015, see <http://www.legislation.gov.uk/ukpga/2015/30/contents>

For examples of global initiatives banning forced or compulsory labor, see the two most widely ratified International Labor Organization Conventions: Forced Labour Convention, 1930 (No. 29) and Abolition of Forced Labour Convention, 1957 (No. 105).

### **Corporate Compliance Department Review, Approval, and Assistance**

Any exception, change or deviation from this Policy must be reviewed and approved by the Corporate Compliance Department. The Corporate Compliance Department and the Law Department will be available to answer any questions and to provide assistance and advice to employees concerning this Policy. Questions regarding specific terms, situations, or problems may be forwarded to the Corporate Compliance Department or the Law Department for assistance and advice.

APPROVED BY CORPORATE COMPLIANCE COMMITTEE: December 16, 2019 Meeting Minutes

## APPENDIX 1

### Red Flags Related to Third Parties

#### 1. INVESTIGATIONS AND CONVICTIONS

- Third Party, its directors, officers, employees or associated persons have been convicted of a Modern Slavery offense.
- Third Party has been convicted of unusual or unexplained business transactions or payments which are indicative of money laundering, tax evasion or Modern Slavery.
- Third Party refuses to warrant past compliance with Modern Slavery laws and regulations and/or Applicable Laws without justification.
- Third Party has been the subject of an investigation, inquiry and/or enforcement proceedings by a government and/or regulatory body in connection with a Modern Slavery offense.
- Third Party has been subject to legal proceedings (i.e., civil or employment law) for unethical labor practices or Modern Slavery concerns.

#### 2. COMPLIANCE WITH LAWS

- Third Party does not abide by local law requirements on minimum wage where Third Party will provide goods and/or services to LabCorp.
- Third Party does not abide by local law requirements on child labor where Third Party will provide goods and/or services to LabCorp.
- Third Party uses recruiters that fail to comply with local labor laws of the country in which the recruitment took place.

#### 3. MODERN SLAVERY ACTIVITIES

- Third Party has obtained or provided services of men, women and children under threat or penalty.
- Third Party is involved in forced labor (i.e., debt bondage and domestic or involuntary servitude).
- Third Party is involved in human trafficking.
- Third Party engages child labor that jeopardizes the physical, mental or moral well-being of a child.
- Third Party engages in commercial sexual activities or exploitation.
- Third Party's staff display poor physical health, for example, staff appear malnourished, unkempt and/or show signs of physical or sexual abuse.
- Third Party's staff display poor mental health or abnormal behavior (i.e., fear, anxiety, depression, submission and paranoia).
- Third Party offers or provides labor services below market value without a valid explanation.
- Third Party's staff are unpaid, or are paid very little or below minimum wage.
- Third Party charges recruitment or similar unethical and/or illegal fees to its employees or contractors or uses recruiters that charge these or similar fees.
- Third Party destroys, conceals, confiscates, or otherwise denies access by its employee to the employee's identity documents (i.e., passport or driver's license).
- Third Party provides or arranges accommodations for its employees which are substandard (i.e., overcrowded, of poor condition and/or has restricted heat, light, water, air, toilet and bathing facilities) or they do not meet the minimum standards as outlined in the International Finance Corporation Worker Accommodation Standards, the host country's standards and/or general safety standards.

- Third Party uses misleading or fraudulent practices during the recruitment of its employees or offering of employment (i.e., by failing to disclose in a format and language basic information to its employees) or making material misrepresentations during the recruitment process regarding key terms and conditions of employment (i.e., wages and fringe benefits, the location of work, the living conditions and housing, any significant costs to be charged to the employee, and the hazardous nature of the work).
- Working conditions for Third Party's staff are of a poor standard with little or no regard to health and safety.
- Third Party's staff are not free to arrive and depart as they wish (i.e., there is a lack of freedom of movement).
- Third Party fails to provide written employment contracts, recruitment agreements, or similar documents in the employee's native language (whether required by law or contract) at least five days before the employee departs from his or her country of origin.
- Third Party's staff includes a minor.
- Third Party fails to provide or reimburse return transportation costs (at the end of employment) for its employees who were brought into a country for the purpose of performance of the LabCorp contract.

#### 4. THIRD PARTY'S ANTI-HUMAN TRAFFICKING COMPLIANCE PROGRAM

- Third Party does not cooperate with or refuses to answer questions connected with LabCorp's Anti-Human Trafficking due diligence process, enquiries or audits.
- Third Party does not implement due diligence procedures for its suppliers, contractors, subcontractors and other goods and/or services providers to determine if Modern Slavery exists in its own supply chain.
- Third Party has not completed a risk assessment within its own company and/or supply chain (i.e., mapping its supply chain, assessing the countries it sources products and services from and the risks associated with sourcing from those countries and suppliers).
- Third Party does not carry out independent, unannounced audits of its operations and suppliers.
- Third Party does not have a defined audit program and/or the audit program does not include auditing personnel recruitment sources (i.e., overseas labor brokers and agencies).
- Third Party's contracts do not include standard terms for its suppliers relating to Modern Slavery.
- Third Party does not have a Supplier Code of Conduct, policy and/or procedures to manage and remediate non-compliance of its standard terms by its third parties.
- Key information on Anti-Human Trafficking Questionnaire relating to Third Party is not disclosed or is missing.
- Third Party does not require its third parties to certify that all goods and services were sourced, processed and manufactured in compliance with Applicable Laws.
- Third Party discloses its intention to work with third parties but does not disclose the identity of those third parties.
- Third Party does not have a written policy addressing Modern Slavery.
- Third Party's employees (particularly those in charge of supply chain management and those supplying goods and/or services to LabCorp) have not been trained to understand Modern Slavery, how to identify red flags, how to report concerns and how to mitigate those risks in the supply chain.
- Third Party does not offer a confidential whistleblowing hotline for employees and others to report Modern Slavery concerns. Third Party does not agree to the contents of LabCorp's *Ethical Labor and Anti-Human Trafficking Policy* (BPM-18).
- Third Party's key employees refuse to complete the LabCorp Anti-Human Trafficking online training.
- Third Party does not post Modern Slavery posters in its workplace.

**5. OTHER**

- Third Party has an unusual corporate or business structure.
- Third Party provides goods and/or services in a country which is identified as high risk in the Global Slavery Index (or similar indices) or where Modern Slavery activities are prevalent.
- There are no contracts in place for the goods and services being provided by Third Party to LabCorp.
- Third Party requests payment outside the territory in which it provides goods and/or services.
- Third Party requests payments to be made to a different individual or entity.
- Third Party does not maintain financial accounts (especially for small and medium size enterprises).
- There are adverse media results, litigation or findings of sexual harassment and/or sexual misconduct against Third Party.
- There are adverse reputational screening results against Third Party.