



# Ethical labor and anti-human trafficking policy

<b>Policy Number</b>	BPM-18
<b>Title</b>	Ethical Labor and Anti-Human Trafficking Policy
<b>Implementation Date</b>	January 2016
<b>Updated</b>	December 2019, April 2022

## 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, slavery, servitude, forced labor, forced marriage, debt bondage, unlawful child labor, sexual exploitation and/or other illegal or unethical labor practices by Labcorp employees, officers, and directors; its Third Parties; or anywhere in its operations or supply chain.

## Scope of Policy

This Policy applies to Labcorp and its employees, officers, and directors (collectively “Personnel”) and representatives and agents acting for or on Labcorp’s behalf (collectively “Third Parties”).

## 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 prevent, detect, mitigate, assess, educate about and resolve 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 Labcorp intranet sites, for an overview of compliance obligations applicable to such contracts and subcontracts.

This document is electronically controlled. Check all hardcopies against the current electronic version within MCQS prior to use. The information in this document contains proprietary information of Laboratory Corporation of America Holdings and is supplied in confidence to the recipient. Neither this document nor any of the information contained therein shall (in part or in whole) be published, reproduced, distributed, disclosed, adapted, used (in each case, in any form by any means) or otherwise made available or accessible in any form or by any means to any other person for any purpose without the express prior written consent of Laboratory Corporation of America Holdings.

Annually, Labcorp publishes its Combatting Modern Slavery and Human Trafficking statement which is available at [www.labcorp.com/combating-modern-slavery](http://www.labcorp.com/combating-modern-slavery).

## Definitions

1. **Applicable Laws** – means the Modern Slavery Act 2015 (UK), the Federal Acquisition Regulations (U.S.), the California Transparency in Supply Chains Act (U.S.), the Modern Slavery Act 2018 (Australia) and similar laws addressing Modern Slavery.
2. **Forced Labor** – means knowingly providing or obtaining the work, labor, or services of a victim under threat or penalty, where the victim has not offered themselves voluntarily, is not free to stop working or free to leave their place of work. Such threats include threats of harm to, or physical restraint against, that victim or another person. Forced Labor also includes debt bondage, Slavery and servitude.
3. **Human Trafficking** – means the actual or attempted recruitment, movement, harboring and/or receiving of victims 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 a victim) for the purpose of exploitation, including Sexual Exploitation, Forced Labor, forced marriage, servitude, Slavery and/or similar practices that are humiliating, degrading or exploitative, or involve the removal of organs.
4. **Illegal Labor Practices** – means any labor practice that is unlawful in the country in which goods and/or services are provided. This includes violations of employment, minimum wage, discrimination and similar laws and regulations.
5. **Modern Slavery** – means human trafficking, slavery, servitude, forced labor, forced marriage, debt bondage, unlawful child labor and illegal or unethical labor practices.
6. **Personnel** – means Labcorp employees, officers and directors.
7. **Red Flag** – means an indicator of an actual or potential risk. Red Flags can take many forms and identification of a Red Flag requires further review. Examples of Red Flags are included in Appendix 1.
8. **Sexual Exploitation** – means 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 a victim. This includes prostitution, transactional sex, other forms of humiliating, degrading or exploitative behavior, trafficking and sexual abuse.
9. **Slavery** – means situations where the offender exercises powers of ownership over the victim, including the power to make a victim an object of purchase and uses the victim's labor in an unrestricted way.
10. **Third Party** - for the purposes of this Policy means agent, consultant, subcontractor (provides goods and/or services on behalf of or to Labcorp), vendor (provides goods and/or services to Labcorp), representative, intermediary, distributor, including their employees, or any other individual or entity engaged to provide goods and/or services on behalf of or to Labcorp.
11. **Unethical Labor Practices** – means 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 or living environments.
12. **Unlawful Child Labor** – means labor that jeopardizes the physical, mental, or moral well-being of a child, either because of its nature or because of the hazardous conditions in which it is carried out; or work that deprives children of their childhood or education, their potential and their dignity, that is harmful to physical and mental development; or the sale and trafficking of children and their entrapment in debt bondage, Slavery, servitude and Forced Labor.

## Prohibition, Violation and Discipline

Personnel and Third Parties shall not engage in Modern Slavery.

Any Personnel or Third Parties who violate this Policy, conceal or destroy evidence of another's violation, or withhold information from or refuse to cooperate with an investigation of a possible violation will be subject to appropriate disciplinary action, up to and including dismissal from employment or termination of contractual relationships and may also be subject to civil and/or criminal proceedings and penalties. See also *Conducting Internal Investigations Policy (BPM-13)* and *Record Retention and Destruction Policy and Retention Schedules (BPM-21)*.

### Risks of Modern Slavery

Labcorp identifies the risks (industry, products and services, geographic and entity) of Modern Slavery practices in its operations and supply chains and has put into effect controls to assess and address these risks. Modern Slavery due diligence is performed on select categories of Third Parties and Red Flags are mitigated by appropriate contractual terms, awareness raising training for select employees and Third Parties and Third Party compliance with Labcorp's Supplier Code of Conduct. Labcorp also assesses the qualitative and quantitative effectiveness of these actions by using appropriate KPIs.

### Reporting Suspected Non-Compliance

Personnel are required to report all actual or suspected activities 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, or independent consultants) and/or anywhere in its operations or supply chain.

Personnel should familiarize themselves with Modern Slavery Red Flags and, if identified, report such concerns through appropriate channels for further review and/or investigation. Red Flags are indicators of actual or potential risks and can take many forms. Examples of Red Flags are in Appendix 1 to this Policy.

Labcorp prohibits retaliation of any kind (whether direct or indirect) against an individual or entity because the individual or entity engaged in reporting in good faith actual or suspected violation of Labcorp's Code of Conduct & Ethics, policies, laws or regulations; filed a complaint; or assisted with an investigation or disciplinary proceedings.

Employees may report concerns directly to:

1. Their immediate managers or supervisors
2. Their business or country leadership teams
3. Compliance Liaisons and/or Compliance Officers
4. Corporate resources including HR, Corporate Compliance Department, and the Law Department
5. Chief Compliance Officer
6. Labcorp Action Line at [labcorp.ethicspoint.com](https://labcorp.ethicspoint.com) [see *Action Line Policy (BPM-10)* and *Whistleblowing Policy – France (BPM 10.1)*]

### 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> and for the Australian Modern Slavery Act 2018, see <https://www.legislation.gov.au/Details/C2018A00153>

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 \(No. 105\)](#).

### **Education and Monitoring**

Labcorp implemented and maintains a program to provide ongoing education and training to Personnel and to actively monitor compliance with this Policy. Personnel are required to participate in all mandatory education and training sessions and procedures in compliance with *Mandatory Compliance Training Policy (BPM-20)*.

### **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: April 18, 2022 Meeting Minutes

## APPENDIX 1

### Red Flags

#### 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 proceeding 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 or illegal 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, debt bondage, Slavery or 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 (for example, fear, anxiety, depression, submission, or paranoia).
- Third Party offers or provides labor services below market value without a valid explanation.
- Third Party's staff are unpaid, or 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 (for example, passport or driver's license).
- Third Party provides or arranges accommodations for its employees which are substandard (for example, 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 deceptive, misleading or fraudulent practices during the recruitment of its employees or offering of employment (for example, by failing to disclose basic information in a format and language understandable by its employees) or by making material misrepresentations during the recruitment process regarding key terms and conditions of employment (for example, 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 (for example, 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 operations and/or supply chain (for example, 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 (for example, 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 resolve 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/or 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 Labcorp's 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/or 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.