



a PHOENIX company

A decorative graphic on the left side of the page. It consists of a cluster of white dots of varying sizes, arranged in a roughly triangular shape pointing downwards. A thick teal arrow points from the bottom left towards the center, overlapping the dots.

# THE PHOENIX UK MODERN SLAVERY & HUMAN TRAFFICKING STATEMENT 2024

## Introduction

**Foreword by Steve Anderson,  
UK Group Managing Director, PHOENIX UK**

This statement is produced in accordance with Section 54 of the Modern Slavery Act 2015 and constitutes our anti-slavery and human trafficking statement for the financial year ending 31 January 2024.

PHOENIX UK is committed to creating and safeguarding a non-discriminatory and respectful working environment for all our colleagues. As part of the PHOENIX Group, we are committed to respecting human rights, being guided by internationally agreed standards such as the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, and the Fundamental Principles of the International Labour Organisation.

We are determined to ensure that human trafficking and slavery does not exist in any part of our organisation, nor within our supply chain or any company of our business partners.

We continually look to evaluate and improve our due diligence processes together with our partners along our supply chain to strengthen human rights across the PHOENIX Group.

We believe that long-term sustainability, with the inclusion and support of our colleagues and business partners, is inextricably linked with social responsibility, economic growth, and environmental accountability.



This statement was approved by the Board and signed by Steve Anderson on 30 July 2024.

## Mission, Values & Vision

The PHOENIX Group has established the following:

**wePHOENIX Vision:** we are the partner of choice for simple and direct access to healthcare products and services across Europe.

**Our Mission:** We deliver healthcare.

### Our Values:

- We focus on the customer
- We operate efficiently
- We think forward
- We embrace collaboration
- We create value

## 1. Our Business

Across Europe, the PHOENIX Group is in 29 countries, it employs over 48,000 people and has circa 214 distribution centres with 3,300 own pharmacies. As a family-owned business established in 1881 and with its corporate head office based in Mannheim Germany, it is focused on sustainable growth by way of developing and supporting all colleagues which also helps to guarantee the future success of the PHOENIX group.

PHOENIX UK was established in November 1998 following acquisitions, leading to the incorporation of the UK holding company **Phoenix Medical Supplies Ltd**, located in Runcorn, Cheshire. PHOENIX UK provides medicine distribution and pharmacy based primary care services. We work in partnership with the NHS, integrated health boards as well as pharmaceutical manufacturers.

PHOENIX UK employs nearly 5,000 people providing support to 30 million patients who visit our 331 owned and over 5,700 member pharmacies, delivering over 250 million packs of medicines each year. It is from our Head Office in Cheshire that many of our business-critical operations are based which support our retail pharmacy and pharmaceutical wholesale throughout the UK.

PHOENIX UK comprises of several brands with strong and established reputations across the primary and secondary care sectors:

- **PHOENIX Healthcare Distribution Ltd (PHD):** a national pharmaceutical wholesaler with 'Four Nations' coverage in the UK and a network of 13 depots. The PHOENIX UK distribution centres support our customers' daily requirements
- **Numark and PSUK:** are business units within PHD. They represent the largest pharmacy membership and dispensing doctor organisations in the UK
- **L Rowland & Co (Retail) Ltd (trading as Rowlands Pharmacy):** is a centrally managed chain of UK pharmacies with over 300 outlets in England, Wales, and Scotland
- **Nupharm Ltd:** its business activity is parallel importation and repacking of pharmaceutical products from across Europe
- **Nucare Ltd:** a dispensing appliance contractor which works in partnership with pharmacies, GPs, and nurses to support patients

## 2. Our Policies

At a PHOENIX Group level, we have established a European-wide compliance strategy with associated processes and policies implemented by local Compliance Managers in each of the 29 European countries in which the PHOENIX Group operates.

Our European-wide Compliance Management System (CMS) has a robust compliance and governance framework consisting of six key policies:

- [Compliance Principles, Reporting & Investigations](#)
- [Code of Conduct](#)
- [Anti-Corruption](#)
- [Anti-Money Laundering](#)
- [Competition Compliance](#)
- [Sanctions & Embargoes Compliance](#)

Our Code of Conduct, Anti-Corruption and Competition Compliance policies are readily available on our website at [https:// www.phoenixmedical.co.uk/en/our-group/ compliance- and-responsibility](https://www.phoenixmedical.co.uk/en/our-group/compliance-and-responsibility).

In January this year, the PHOENIX Group was awarded the ‘Appropriateness Certification’ without constraints (standard IDW PS980 [IDWAsS 980(Ewc) (09.2022)]) following an external audit by Deloitte. This formal recognition of our policies and processes by one of the “Big 4” audit companies demonstrates the robustness and effectiveness of our CMS.

We also have a PHOENIX Group General Procurement Supplier Code of Conduct which sets out the minimal standards about becoming a PHOENIX Group company supplier, and which includes specific clauses relating to child and forced labour, discrimination, working hours as well as the freedom of association and collective bargaining.

In addition to our compliance and general procurement policies, we have the following Human Resources (HR) related guidance:

- [Modern Slavery](#)
- [Bullying & harassment](#)
- [Equality & diversity](#)
- [Grievance](#)
- [Recruitment & selection](#)
- [Social & ethical responsibility](#)
- [Whistleblowing](#)

All new and revised policies undergo a strict internal process reviewed by key stakeholders including our Quality Team and Company Secretary prior to any final approval by the PHOENIX UK Board.

The PHOENIX Group also has a policy statement on human rights, which can be found at [https://www.phoenixgroup.eu/fileadmin/media/responsibility/CSR\\_2022/20221222\\_Policy\\_statement\\_on\\_human\\_rights.pdf](https://www.phoenixgroup.eu/fileadmin/media/responsibility/CSR_2022/20221222_Policy_statement_on_human_rights.pdf).

### 3. Suppliers and Supply Chain

We have various processes within our supply chain in place:

- We expect suppliers to follow our General Procurement Supplier Code of Conduct and the PHOENIX UK Contractor Approval form
- Due diligence standardised processes are performed on all new suppliers when tendering for contracts via value-based assessments using our Business Partner Due Diligence (BPDD) platform, this is detailed later in the statement
- Where appropriate new suppliers are required to complete our Supplier Approval Form and provide relevant licenses
- We require automatic inclusion of standard clauses in all company contracts covering sustainability, data protection and compliance clauses, such as our code of conduct, anti-bribery and corruption, and references to anti-slavery and anti-tax evasion
- Potential suppliers who fail to meet requisite due diligence checks are expected to implement remedial compliance measures before they can enter into contract with PHOENIX UK
- Suppliers are obliged to notify PHOENIX UK if they use sub-contractors and provide training records if requested

**Suppliers outside EU:** although many of our goods are imported from within the EU, we do use a supplier of plastic bags and paper bags which are manufactured and supplied by their factories in Malaysia. Regular audits of this supplier are carried out by an external verifier using Sedex Members Ethical Trade Audit (SMETA) procedure and corrective action plan. This examines areas such as labour standards, health and safety, environmental and business ethics. A copy of the report is made available to us as part of the supplier annual audit.

**Use of Recruitment Agencies:** due to the shortage of workers to fill vacancies within our business and particularly in our warehouses, we currently use a variety of recruitment partners. Recruitment agencies who provide agency or seasonal staff are subject to our standard internal due diligence checks. Any agency which fails to comply may be put on stop whilst improvements are made. Continued failure to comply with our requirements will result in a supplier being de-listed and the contract being terminated.

### 4. Due Diligence

Our BPDD platform is a risk management tool which allows the company to conduct automated due diligence checks on prospective business partners. The platform enables us to identify potential human rights and environmental risks to both our own business units and throughout the supply chain. Risk classification is determined by a multi-stage software-supported process with comparisons against various public databases, such as Companies House. It also includes an in-depth self-assessment compliance and sustainability questionnaire for those prospective business partners deemed to be medium-high risk, with final approval only given by a Board member once all checks have been satisfied.

The PHOENIX Group has a 24/7 standalone whistleblowing external portal (Case Reporting Line) <https://phoenixgroup.integrityplatform.org/index>, which allows both colleagues and external third parties to report anonymously. The company encourages the reporting of concerns around actual or suspected slavery and human trafficking violations, together with other compliance and non-compliance matters either via their line manager or local Compliance Manager concerning:

- [company policies](#)
- [misconduct](#)
- [data protection breaches](#)
- [working conditions](#)

Within our pharmacy business, we also actively promote our ‘[Speak Up](#)’ process, similarly to that of NHS England policy and guidance, which provides colleagues with a dedicated Speak Up Guardian to whom they can report any concerns or suspicions. All reported incidents are monitored and investigated thoroughly by the local Compliance Manager supported by our Corporate Compliance team in accordance with our investigative procedures, company policies and local laws.

Following an investigation, findings are formally presented with clear action points and subsequent follow up by the Compliance teams to ensure a suitable resolution has been reached. All reported cases are collated and reviewed both at our quarterly Local Compliance Committee and on an annual basis for the Executive Board.

There is visibility and input from management by way of committees and working groups which monitor, manage and report on key and emerging risks to the business, including the Management Review Team and Local Compliance Committee which are chaired by a UK Board member. We also have a Sustainability Committee which is responsible for delivering our sustainability agenda set by the Group, and which is also chaired by a member of the UK Board.

As a supplier to the NHS, PHOENIX UK completes an annual NHS Modern Slavery Assessment Tool (MSAT), designed for public sector organisations and their suppliers. This covers questions on a company’s business, its processes as well as their actions to manage and mitigate modern slavery risks. Working in partnership with its suppliers, the MSAT tool recommends areas for improvement whilst helping to reduce the risk of exploitation of workers within supply chains. Following completion of our most recent assessment, PHOENIX UK was given a low-risk classification.

## [5. Training](#)

Colleagues are trained in the principles of our policies and company expectations along with their obligations through mandatory e-learner trainings. Refresher training is provided every 2 years, together with supplementary in-person training for senior management on all aspects of our CMS.

Last year, PHOENIX UK introduced its human rights and anti-trafficking e-learner training program for all senior managers and directors. The course includes an overview of the background to modern slavery, the role of human trafficking in modern slavery, different forms of slavery and how to identify slavery, with a look at the laws and regulations in place to try and combat this issue as well as how to raise concerns. This e-learner course is a mandatory requirement with refresher training every 2 years.

An introductory e-learner course together with a suite of resources regarding the issues around modern slavery and anti-trafficking was also introduced for all colleagues across PHOENIX UK.

## 6. Next Steps

KPI	Progress	Next Steps
HR Policies & Guidance	Our Modern Slavery and Whistleblowing policies were published in October 2022 and have been embedded into our induction program.	We continue to reassess our current HR policies as they apply to modern slavery. These policies and guidance are being cross-referenced with our current Modern Slavery policy.
Training	An online anti-slavery e-learner training module was introduced in March 2023 for all senior management and directors, followed by an introductory course for all colleagues.	Later this year, PHOENIX UK will be introducing brand-new compliance e-learner training for all business units, encompassing modules not only on anti-corruption and competition compliance, but also sanctions and embargoes compliance, anti-money laundering and whistleblowing.
Internal Audits	An ongoing risk assessment of our own business operations and direct suppliers at corporate level is being carried.	With the advent of the German Supply Chain Act 2023 and the forthcoming EU Corporate Sustainability Due Diligence Directive (CSDDD) 2024, a risk analysis of our current suppliers is underway. This risk analysis aims to evaluate human rights and selected environmental related risks of all active suppliers at group level. Any identified risks are to be assessed and prioritised with a view to implementing mitigation measures where appropriate.
Recruitment	We have identified risks within our recruitment processes due to labour shortages, particularly within our wholesale business, and the use of multiple recruitment agencies.	This continues to be reviewed and monitored internally. Rates of pay have been updated following negotiations with the recognised Trade Union (USDAW), and we maintain our position of paying above National Living Wage. Negotiations on pay take place with the union annually from January, for pay implementation in April.