



Forced Labor and Child Labor Report for Arthrex, Inc.

This report is made in accordance with Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "Act") by Arthrex, Inc. ("Arthrex") a Delaware corporation. This report has been drafted for the financial year ending June 30, 2023.

Our Mission and Core Values

Arthrex is a global leader in new product development and medical education in orthopedics and we are committed to one mission: *Helping Surgeons Treat Their Patients Better*®. Arthrex is headquartered in Naples, Florida, with subsidiaries around the world. Approximately 85% of Arthrex's products are made in the United States.

In pursuit of our mission, it is important to remember that Arthrex does not just impact surgeons. We have a direct impact on people all around us — patients, the Arthrex family and our communities. Because of this, we must always keep in mind that which motivates us: our core value of Making People Better. No matter the context, we never compromise this core value.

Arthrex continues to experience unprecedented growth and demand for our products throughout the world; however, we remain a privately held company with a family business culture committed to delivering uncompromising quality to the health care professionals who use our products, and ultimately, the millions of patients whose lives we impact.

Our Supply Chain

Arthrex is committed to doing business ethically and responsibly and will only work with companies that share that commitment. The top six countries from which goods, services or materials are sourced outside the U.S. are: Germany, Switzerland, Israel, Netherlands, Italy and Taiwan. Arthrex manufacturing sites are located in countries which are not considered high-risk jurisdictions by the Global Slavery Index. Our supply chain consists of direct and indirect suppliers. Arthrex is committed to doing business ethically and responsibly and will only work with companies that share that commitment.

For more information on Arthrex's supply chain please visit <https://www.arthrex.com/global-supply-chain>.



Arthrex's Practices to Ensure Our Supply Chains are Free of Forced and Child Labor

Arthrex enthusiastically joins the fight to end forced labor and child labor, and discloses the efforts we have undertaken to ensure that our supply chain is free from such abhorrent practices. As such, Arthrex does not conduct business with third parties who engage in Slavery, Forced Labor, Child Labor or Human Trafficking.

1. Policies and Due Diligence Process

As part of an ongoing initiative to identify and mitigate risks, Arthrex continuously works to further improve its policies and practices to ensure materials and services provided to Arthrex are procured only from suppliers who share this same level of commitment.

In 2019, Arthrex updated its Global Code of Conduct, strengthening its commitment to corporate responsibility and giving clear guidance on key expectations including human rights and modern slavery. The updated [Global Code of Conduct](#) was launched at the end of 2019 and is available in 18 languages. In 2020, Arthrex adopted the [Global Policy on Human Rights and Environmental Standards](#) that prohibits the use of slavery and human trafficking in Arthrex facilities and by suppliers in Arthrex's supply chain.

Arthrex is committed to fair labor practices within its supply chain and expects its suppliers to meet these expectations. As such, the company conducts supplier assessments to assess risk related to slavery, human trafficking and other human rights, and to identify areas for suppliers to implement effective controls. In addition, suppliers are required to provide a Certificate of Origin positively affirming the country of origin of all products sold to Arthrex. The company continues to enhance due diligence related to suppliers by integrating controls into the existing Third-Party Risk Management process. Since 2022, Arthrex uses a third party to conduct risk-based due diligence on existing suppliers and to investigate the background of potential new suppliers, assessing the risk of noncompliance with laws, including those related to slavery, human trafficking and other human rights. In addition, Arthrex implemented a third-party risk management tool to provide information on current supplier risks, as well as regular newsfeed updates on labor practices and other human rights risks.

2. Mitigating Risks of Forced Labor or Child Labor in Our Supply Chain

The company currently focuses its efforts on high-risk suppliers, determined by various risk factors including but not limited to supplier location and propensity for utilization of slavery, human trafficking or forced labor. In addition to the due diligence process described above, Arthrex monitors supplier behavior and compliance through announced routine audits to improve visibility, leverage and oversight of our supply chain. As part of these audits our suppliers are reviewed on implementation of policies prohibiting all forms of human trafficking and forced labor. Furthermore, Arthrex's supplier agreements and all purchase orders used with suppliers contain clauses prohibiting the use of human trafficking, child, forced, and prison labor, and other human rights violations.



3. Employee Training Requirements

Arthrex provides employees with training on its Global Code of Conduct. During this process, employees are required to review and certify their compliance with the Code on an annual basis. In addition, all employees are expected to review and sign the Global Policy on Human Rights and Environmental Standards to increase awareness of the risk associated with slavery, human trafficking and human rights. Employees with direct responsibility for supply chain management receive specific training focused on identification and risk mitigation of slavery, human trafficking, and other human rights within the supply chain. The company routinely reviews policies to ensure content is up-to-date and training has been successfully completed.

4. Effectiveness

Arthrex periodically evaluates the effectiveness of the actions being taken to address slavery, human trafficking and other human rights risks in our supply chain. In addition, Arthrex continually reviews its risk assessment processes to identify new factors and methods that can be applied. This statement applies to all Arthrex subsidiaries.

Arthrex's Practices to Address Reported Risks or Use of Forced and Child Labor

Arthrex maintains a comprehensive Global Risk Management & Compliance program to prevent and detect violations of the Global Code of Conduct, company policies and applicable laws and regulations, including those which relate to Human Rights violations. Arthrex has a process in place for entering, managing and investigating reports received through the [Arthrex Ethics Helpline](#). The Global Risk & Compliance Committee oversees any reportable events, potential risk areas and risk management activities and monitors the effectiveness of the Global Risk Management & Compliance program.

As of June 30, 2023, Arthrex has not encountered use of forced labor or child labor in its supply chain and therefore has not remedied such occurrence.

Attestation

In accordance with the requirements set forth in the Act, I attest that all information provided herein is true, accurate, and complete for the reporting year set forth above.



John W. Schmieding
Senior Vice President