



Social Audit Report (Eleven ILO forced labor indicators)

Arka – Medical Devices, S.A.

Foster Consulting

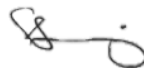
Avenida do Brasil – Edifício Portas da Vila N.º 243 F11 – 4760-001 Gavião – Vila Nova de Famalicão

Escritório: Rua Afonso Cordeiro 877 Sala 103 – 4450-007 Matosinhos

consulting@foster.pt

www.foster.pt

Identification	
Organization	ARKA – Medical Devices, S.A.
Address	Rua da Ribela, N° 600 4770-170 Cruz
Audit Date	1.ª Fase: 11/06/2025 2.ª Fase: 23/07/2025
Audit Location	Company Headquarters
Audit Type and Duration	Internal audit with a total duration of 1.5 days (1 day in the 1st phase and 0.5 days in the 2nd phase)
Reference Standard	Eleven forced labor indicators from the International Labor Organization (ILO)
Language	Portuguese
Audit Team (EA)	Jorge Gameiro (JG) Sandra Araújo (SA)
Objective	Verification of compliance of the company's existing practices with the eleven forced labor indicators of the International Labor Organization (ILO) and applicable legal requirements. Identification of areas for potential improvement in the organization's practices.
Documentation consulted	Existing documentation (Manuals; policies and other supporting documentation). Applicable legal and regulatory requirements.
People Contacted	Crislanda Oliveira- HR Responsible; Ruben Eira - OSH Responsible. Note: a total of seven employees selected by the audit team were also interviewed behind closed doors through individual interviews on the day of the audit.

Audit Team	
Name: Jorge Gameiro 	Name: Sandra Araújo 
Date: 25-07-2025	

Acknowledgment of the Organization Representative
Name:
Position:
Signature:
Date:

1ST PHASE Audited aspects:			
ELEVEN ILO INDICATORS		Audited Items	Actions/recommendations
1	Vulnerability Abuse	☒	1 2 3 4 5 6 7 8 9
2	Deception	☒	6 7 8
3	Movement restriction	☒	8
4	Isolation	☒	8
5	Physical and sexual violence	☒	2 3 4 5 8
6	Intimidation and threats	☒	2 3 4 5 8
7	Retention of identity documents	☒	6 7 8
8	Wage withholding	☒	6 7 8
9	Abusive debt	☒	6 7 8 9
10	Degrading working and living conditions	☒	8 9
11	Excessive overtime	☒	8 9
Audited indicators ☒		Actions/recommendations – Check the number sequentially	
Unaudited/not applicable indicators ☐			

2ND PHASE | Audited aspects:

<u>INDICATOR 9 – OCCUPATIONAL SAFETY AND HEALTH</u>		<i>Audited Items</i>	<i>Actions/recommendations</i>
1	OSH Management System and Policy Is there a formal OSH policy? Is it communicated to workers? Is there a person in charge appointed?	☒	...
2	Risk Assessment and Prevention Are risk assessments carried out regularly? Are there any prevention measures in place?	☒	There is a risk assessment carried out in 2023. Ensure that the risk assessment scheduled for September 2025 is carried out. Consider including psychosocial risks in the risk assessment. Improve the method of identifying the preventive measures to be implemented and associating them with the identified risk.
3	Training and Awareness Do workers receive OSH training? Are there any records of these trainings?	☒	Review on-boarding to integrate OSH training (risks to which they are subject, PPE's, firefighting means, ...).
4	Personal Protective Equipment (PPE) Are PPE provided free of charge? Are they used correctly?	☒	...
5	Working Environment Conditions Is the workplace clean, safe, well-lit and ventilated? Is there access to drinking water and toilets?	☒	...
6	Machinery and Equipment Do the machines have safety devices? Is preventive maintenance carried out?	☒	...
7	Emergency and First Aid Is there an emergency plan? Are there first aid kits available? Are drills performed?	☒	The self-protection measures (MAP's) are being prepared until October 2025. Ensure the submission to the ANPC, the realization of the drill and the preparation of the 1st intervention team.
8	Occupational Accidents and Diseases Are accidents recorded and investigated? Are there corrective measures?	☒	Accidents at work are recorded and investigated, however the analysis of the 2024 accident rate was not carried out. Ensure the monitoring of the actions implemented to assess effectiveness.
9	Employee Participation Do workers participate in OSH issues? Can you report problems without reprisals?	☒	The consultation with workers was carried out in 2024. The annual consultation is planned for September 2025. Ensure that the evaluation is carried out, the results are analysed, and improvement actions are defined (if necessary).

2ND PHASE | Audited aspects:

<u>INDICATOR 9 – OCCUPATIONAL SAFETY AND HEALTH</u>		<i>Audited Items</i>	<i>Actions/recommendations</i>
			Evaluate the relevance of boosting the Suggestion Box.
10	Legal Compliance Does the company comply with national OSH legislation? Are there records of inspections?	☒	...
11	Vulnerable Workers Are there specific measures for young people, pregnant women, people with disabilities or temporary workers?	☒	There is a concern with vulnerable workers, however the policy and procedures to be adopted are not defined.
Audited indicators ☒		Actions/recommendations – Check the number sequentially	
Unaudited/not applicable indicators ☐			

Actions/recommendations:			
<i>Item Nr.</i>	<i>ILO Indicator</i>	<i>Description of the action</i>	<i>CA/IA No.</i>
1	1	Define a procedure for identifying and treating/referring situations involving employees in a potential situation of vulnerability/economic need.	
2	1; 5; 6	Disclose the new code of ethics and conduct to employees and managers.	
3	1; 5; 6	Promote internal training actions on the new code of ethics and conduct.	
4	1; 5; 6	Include in the training plan, there is a training course on good practices for preventing harassment (in its various forms).	
5	1; 5; 6	Clarify in the Reporting Manual the procedure for action in the event of social emergency situations (e.g. violence and harassment; discrimination).	
6	1; 2; 7; 8; 9	Create a procedure for qualification, management and monitoring of the provision of services, carried out by temporary work companies (e.g. control of compliance with tax and contribution obligations of the company and workers and medical aptitude examinations).	
7	1; 2; 7; 8; 9	Disclose the new code of ethics and conduct to service providers/employees (e.g. (temporary employment companies, private surveillance and IT).	
8	1 to 11	Strengthen the publicity of the internal reporting channel among employees (e.g. through a poster with a QR code and rclac news).	
9	1 to 11	Include the reporting channel on the website for external interested parties.	
Recommendations:			
1. Clarify the methodology for welcoming and integrating employees assigned to temporary work (e.g. information and documentation to be transmitted).			
2. Systematize the volunteer actions/campaigns to be undertaken into an action plan.			
3. Define the methodology for the control of temporary workers (Medical Fitness Form, Occupational Accident Insurance, timely payment of salary).			

Conclusions:

The "on-the-ground" verification carried out in this Internal Audit was carried out using the method of objective evidence collection through desk analysis and individual interviews behind closed doors with a sample of employees, focusing on eleven indicators of forced labour from the International Labour Organization (ILO), mentioned earlier in this report.

The Audit was carried out in accordance with the Audit Plan previously sent to Arka and approved at the opening meeting.

The organization has demonstrated that it has an adequate set of people management policies and practices, with some of the instruments lacking greater systematization and internal dissemination, according to the list of actions and recommendations listed above.

There is a concern about working conditions and the safety of workers.

From the individual interviews with employees carried out behind closed doors, no employee reported the existence of situations that constitute a violation by the company of the eleven forced labor indicators of the International Labor Organization (ILO).

The Audit Team highlights the openness shown by the elements who actively participated in this Audit, thanking the excellent cooperation and hospitality provided and expressing its willingness to provide the additional clarifications deemed necessary.