

Modern Slavery Statement

Opening statement from Draeger Australia Pty Limited's ("Draeger Australia") senior management

Draeger Australia is a member of the Dräger group of companies which is an international leader in the fields of medical and safety technology. The family run company was founded in Lübeck, Germany, in 1889 and is based there to this day. Now a global, publicly traded group, with operations in 54 countries, it has been led by a member of the Dräger family for five generations.

Technology for Life is Dräger's guiding philosophy. Dräger products protect, support, and save lives. We develop, produce, and market systems, equipment and services including perioperative care, critical care, neonatal and emergency care for the medical field. Our safety portfolio includes stationary and mobile gas detection devices, personal protective equipment, professional diving equipment, alcohol and drug detection devices and an array of training and customer service offerings.

The Dräger Group is committed to preventing acts of modern slavery and human trafficking from occurring within its business and supply chain and imposes the same high standards on its suppliers. Such high standards include, to respect the basic human rights of employees, in particular to promote equal opportunities for and treatment of its employees, to respect the personal dignity, privacy and rights

of each individual, to provide fair remuneration and applicable statutory minimum wage and to eliminate forced labour, servitude, child labour and any form of deceptive recruiting and debt bondage.

This joint statement has been prepared pursuant to sections 13 to 16 of the *Australian Modern Slavery Act 2018* (Cth) on behalf of Draeger Australia Pty Limited and its wholly owned subsidiary, Draeger New Zealand Limited. It describes the risk of modern slavery in our operations and our supply chains during the year ending 31 March 2021 (the **Reporting Period**) and the steps Draeger Australia and Draeger New Zealand Limited have taken to minimise this risk and increase the effectiveness of these steps.

Ownership structure and legal form

Draeger Australia is 100% held by Drägerwerk AG & Co. KGaA (“Dräger Germany”), a partnership limited by shares under German law. Draeger Australia has one wholly owned subsidiary, Draeger New Zealand Limited.

The Dräger Group has approximately 14,850 employees and maintains sales and service organisations in 54 countries. Its development and production facilities are based in Germany, UK, Sweden, South Africa, the USA, Brazil, Chile, the Czech Republic and China.

Draeger Australia employs approximately 295 people within Australia & New Zealand. The Dräger Group operate as an integrated group of companies with policies, systems and approaches that apply to each entity.

To find out more about the nature of our business, please refer to our website:

[Welcome to Dräger Australia & New Zealand \(draeger.com\)](http://draeger.com)

Our Supply Chain

Dräger Australia is predominantly a sales and service subsidiary with over 80% of its products sourced by Dräger Germany and Dräger UK. For this reason, we have detailed our global modern slavery governance framework in this statement.

2020 Dräger Australia spending on Suppliers

DRAEGER DE	75.43%	DRAEGER	81%
Australian Suppliers	11.85%	OTHERs	19%
DRAEGER UK	5.39%		
US Suppliers	3.23%		
European Suppliers	3.23%		
Other	0.43%		
DRAEGER others	0.43%		

Our modern slavery risks

Dräger Australia's risk assessment identified that modern slavery and human rights risks in our operations are considered to be very low. Dräger Australia does not operate in high-risk sectors or locations and has established measures to ensure sustainable monitoring and management of any risks.

As stated above, over 80% of Dräger Australia's product is sourced directly from Dräger Germany and Draeger UK. These group companies have also implemented continuous and strict modern slavery processes which they must comply with in their operations. These processes are outlined further below under 'Global Modern Slavery Governance'.

Dräger Australia's operations are also considered to have a low risk of modern slavery due to the supporting structures, policies, programs and processes in place. These include, but are not limited to:

- processes to ensure all team members hold working rights in Australia and to ensure compliance with visa conditions where applicable;
- labour hire legislation adherence and auditing requirements in place;
- training for team members covering fundamental governance principles, including our code of conduct, grievance mechanisms, workplace behaviours;
- significant resources dedicated to human resource management; and
- resources, systems and processes to administer payroll.

Nevertheless, Dräger Australia values and recognises its responsibility and has alerted stakeholders and employees to the risks of modern slavery in relation to any direct business relationships and across the wider global supply chain.

Actions to assess and address the Risks

Dräger Australia ensures that its suppliers are aware of our policies and obtains commitments that suppliers will adhere to the same high standards. In order to obtain such commitments, Dräger Australia introduced the “Code of Conduct for Suppliers” in Australia, which is a key tool in the Dräger global governance for the prevention of modern slavery.

As part of the assessment procedure of ‘quality relevant’ Suppliers, it is a condition of purchase that all suppliers adhere to the standards in the Code of Conduct for Suppliers. The Code of Conduct contains a number of prohibitions and requirements regarding the non-committal of offences in relation to slavery and human trafficking in the supply chain. This Code of Conduct is published on our website at [https://www.draeger.com/Corporate/Content/Code of Conduct for Suppliers 201912.pdf](https://www.draeger.com/Corporate/Content/Code_of_Conduct_for_Suppliers_201912.pdf) and a link to it is attached in our purchase orders to ensure all suppliers retain a copy as part of our ongoing relationships.

Dräger Australia is committed to ensuring compliance with this policy and where it becomes aware of any failure to comply with the Code of Conduct, we will investigate and seek to terminate the relationship with the relevant supplier.

In addition, Dräger Australia conducts business partner screening of all quality relevant suppliers that checks partners with regard to amongst other things, human rights, sanctions and criminal activities. If the business partner screening produces a ‘positive match’ then any business relationship with Dräger Australia is prohibited and our Company ERP system (SAP) will block any possible transaction.

Global Modern Slavery Governance

Draeger UK (has issued a Modern Slavery Statement pursuant to the Modern Slavery Act 2015 (UK)). Please find the statement attached [Draeger-Anti-Slavery-2020-v2.pdf](#) for details about Draeger UK's processes. While there is no requirement to do so in Germany, Draeger Germany has implemented processes to proactively identify, assess and manage modern slavery risks in its supply chain.

At Dräger Germany, the Strategic Purchasing department is responsible for the procurement of all materials and services at the production sites, from plastic and machining parts, electronics, sensors, modules, and complex mechatronic systems, to IT services, fleet management, and development services. The bulk of the production materials and finished products are purchased from European locations (87 percent). The locations in the Americas and Africa, Asia, and Australia account for roughly 8 percent and 5 percent respectively.

Supplier Approval Process

The identification of modern slavery risks is embedded within the supplier approval process. This process contains specific requirements on the following topics:

- child labor
- forced labor
- discrimination

- corruption
- occupational health and safety
- environmental protection; and
- materials conformity including conflict minerals.

At Dräger Germany, business partners and suppliers are subject to standardised processes with regard to approval, monitoring, development, and termination. At the heart of every partnership is a standardised contract that contains a supplier code of conduct (**Supplier CoC**) (CoC Standalone (draeger.com) supplier CoC). The Supplier CoC is available in a variety of languages and it creates a binding foundation for the partnership. The Supplier CoC refers to and integrates the recognised guidelines of the International Labour Organization (ILO) Conventions and of the Organisation for Economic Co-operation and Development (OECD), among other standards.

Dräger Germany has two methods to ensure it effectively implements the Supplier CoC:

- First, the CoC is part of its vendor questionnaire during the phase-in process. All new suppliers are asked to review, sign and commit to the CoC from the beginning of their relationship with Dräger; and
- Second, when the CoC was first introduced, any existing suppliers were approached one-by-one to sign a standalone CoC version.

By the end of 2020, Dräger Germany had raised the production material purchasing volume covered by its supplier CoC to 78 percent (2019: 75 percent), thereby significantly exceeding its target of 75 percent. So far, 397 suppliers (2019: 398²⁷) have signed the supplier CoC. For 2021, Dräger Germany plans to increase the coverage rate to around 80 percent. In addition, to ensure continual improvement, Dräger Germany is currently working on an update to the CoC due for release during 2021.

In addition to the CoC, every new strategic purchasing supplier goes through a globally standardised approval process featuring an automated partner screening that checks potential business partners with regard to sanctions or criminal activities and other criteria. Further steps towards approval are only undertaken if the supplier passes the initial screening. The approval process has been broadened to include an extensive supplier questionnaire where the partnership covers quality-relevant components or services that directly or indirectly influence the functionality of Dräger products. It also contains questions on, among other things, occupational safety and environmental protection.

In a subsequent audit, Dräger Germany reviews the information from the questionnaire and the available contract. The supplier may receive final approval following a positive outcome and may nonetheless be subject to restrictions and defined corrective measures, where appropriate.

Dräger Germany subjects every approved supplier to a standardised assessment according to qualitative and quantitative criteria with regard to factors such as quality performance, delivery performance, sales, and product characteristics. The regional classification or specific indications pointing to a failure to comply with applicable standards also play a decisive role in the quantitative assessment. Due to the ILO's analyses and statistics on the issues of child labor and forced labor, Dräger Germany pays special attention to monitoring suppliers in potentially endangered countries. The sum of these factors and figures leads to an overall evaluation. When working with potentially high-risk suppliers, Dräger Germany agrees on specific measures such as an intensification of monitoring, an additional audit, or the amendment of the contract.

The central Corporate Social Responsibility ("CSR") Council of Dräger Germany has been working on a vision during the last year which incorporates the supply chain. By 2022 it is its intention to initiate a CSR self-assessment of every newly qualified supplier which will cover all major human rights and environmental topics.

Dräger Germany is taking a number of steps in preparation of the new 'Supply Chain Responsibility Act' that will become effective from 2023. Dräger Germany and Draeger UK & Ireland have also implemented the following policies which are applicable to all Dräger Group companies:

"The Principles of Business Conduct in the Dräger Group"

EN 210114 Code of Conduct IB.indd (draeger.com)

“We Take Responsibility”

16032020 We take responsibility.pdf (draeger.com)

Dräger Germany has in operation a compliance reporting system providing an avenue for reporting concerns including those relating to possible slavery and human trafficking offences. Anyone reporting such a concern shall be protected by Dräger and will have reported concerns investigated and acted upon. The Dräger Integrity Channel can be accessed at <https://www.bkms-system.net/DRAEGER>.

The above policies together with analogous standards and compliance frameworks globally, instil compliance and lawful conduct throughout Dräger's operations.

Further actions

Following our review of our actions in this financial year to prevent slavery and human trafficking from occurring in our business and supply chains, Dräger intends to invest in educating our employees to recognise the risks of modern slavery and human trafficking in our business and supply chains. Through effective training programs, we intend to continue to educate and encourage our employees to identify and report any potential breaches of our ‘Principles of Business Conduct in the Dräger Group’ in relation to modern slavery and human trafficking. Employees have a number of avenues to report any potential breaches including under the Whistleblower Policy addressed below.

Impact of COVID-19 on Modern Slavery and our Response

COVID-19 presented a range of new challenges for Dräger Australia and for our extended supply chain. As an essential service, selling and servicing medical and safety equipment, we had to ensure we continued serving the communities we operate in to safeguard the health and protection of Australians. Protecting our team members' health, both physical and mental, throughout this period remained paramount. To be effective, we quickly adjusted our ways of working, for example by:

- providing additional personal protective equipment to team members and implementing social distancing measures in all workshops and offices;
- providing hand sanitiser for team members to supplement regular handwashing; and
- launching a company-wide mental wellbeing program.

The Dräger group is continuing to focus on managing the unpredictable challenge COVID-19 presents to the Group's supply chains and workers.

Effectiveness of Actions:

In addition to robust governance and existing monitoring frameworks already in place, we assess the effectiveness of our actions mainly through regular reporting and meetings between our human resources department and the Dräger Australia board.

In addition, all of the existing monitoring frameworks in place for risk management discussed within this statement.

Remediation

Compliance with the requirements set out in the supplier CoC is an essential component of every relationship between Dräger Australia and new or existing suppliers. Deviations may lead to a variety of consequences or remediation requirements for an individual supplier in consultation with Dräger Australia. Dräger Australia may set deadlines for the supplier to correct any breaches or non-compliance with the CoC. The implementation of remediation would be monitored by the relevant purchasing manager. In the event of major deficiencies or critical breaches which could not be remediated, the supplier may be blocked by Dräger Australia. Similar or even more stringent processes occur at Dräger Germany, which have been discussed above.

In 2020, no violations regarding the supplier CoC were identified during the course of audits globally.

Grievance mechanisms to assist remediation

The Whistleblower Policy (**Policy**) is a resource to Dräger's employees and business partners in Australia. It encourages the reporting of suspected unethical or illegal conduct including suspected cases of modern slavery. All reports and concerns raised are assessed to determine if and how they should be investigated in accordance with the Policy. We will always seek to resolve any issues raised as quickly as possible.

In addition, the Grievance and Issue Resolution Policy can also be used by employees to notify Dräger of any issues concerning any workplace

discrimination or other matters. Underpinning our Whistleblower and Grievance and Issue Resolution Policies, are our Equal Opportunity Policy and our Discrimination, Bullying and Harrassment – Prevention and Response Policy. All of these policies serve to provide our employees with a safe, respectful and fair work environment.

Consultation

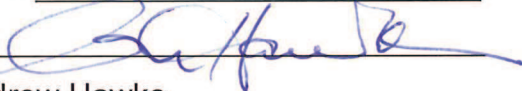
Draeger Australia and Draeger New Zealand Limited have a shared supply chain. Draeger Australia has consulted with Draeger New Zealand Limited in the process of preparing this statement, communicating our approach and our commitments. We look forward to ongoing consultantion and collaboration in the Dräger Group and with others in our industries to continue the prevention of modern slavery.

This statement was endorsed and approved by the Draeger New Zealand Limited Board and the Draeger Australia Board of Directors.

This joint statement is made pursuant to the *Modern Slavery Act 2018* (Cth) and constitutes the Modern Slavery Statement for the year 2021 for Dräger Australia Pty Ltd and Draeger New Zealand Limited.

On behalf of Draeger Australia

Date: 18 June 2021



Andrew Hawke

Managing Director, Australia