

Addressing the Risk of Modern Slavery

Modern Slavery Statement

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Siemens Healthineers Statement is submitted in accordance with requirements of the Modern Slavery Act 2018 (Cth).

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This Statement is given pursuant to the Modern Slavery Act 2018 (Cth) (“Act”) by Siemens Healthcare Pty Ltd ACN 604 853 938 (“Siemens Healthineers AU”) with its registered office at Level 3, 141 Camberwell Road, Hawthorn East, Victoria 3123.

This Statement sets out the actions taken by Siemens Healthineers AU to address modern slavery risks in our business and supply chain during our financial year from 1 October 2021 to 30 September 2022. In this Statement references to “our”, “us” or “we” are used to refer to Siemens Healthineers AU.



Further Information

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1. Siemens Healthineers Australia company structure, operations and supply chains

Siemens Healthineers AU is an Australian company with no controlled entities. Siemens Healthineers AU trades under the name “Siemens Healthineers”. Siemens Healthineers AU is 100% owned within the Siemens Healthineers AG group of companies. Siemens Healthineers AU employs over 800 people in Australia as of February 2023.

Siemens Healthineers AU's main operations are as a supplier of medical devices, parts, consumables and reagents and a provider of associated services for the following healthcare portfolios:

- Diagnostic Imaging;
- Ultrasound;
- Advanced Therapies;
- Laboratory Diagnostics; and
- Point of Care Diagnostics.

Siemens Healthineers AU also provides value added services such as:

- Customer Services (including product related services; remote services; and education & skills management);
- Enterprise Services (including asset management and managed equipment services; transformation & advisory services; managed departmental services and staffing & capacity solutions); and
- Digital Health Services (including population health management; digital ecosystems; teleradiology Services and imaging IT).

The Siemens Healthineers AG group of companies' supply chains include the manufacture, supply and distribution, installation, service and support of medical devices and related products and services. In this context Siemens Healthineers AU's supply chain includes its overseas related companies where medical products are manufactured or produced, imported into Australia, and subsequently sold and distributed by Siemens Healthineers AU.

Siemens Healthineers AU's operations also include services such as delivery, installation & commissioning, design, consultancy, project management, product service and maintenance, and support and training services.

Siemens Healthineers AG is present in 70+ countries worldwide.

The Siemens Healthineers AG group operates production facilities and uses manufacturing facilities, R&D facilities, office buildings and warehouses. As at the date of this Statement, Siemens Healthineers AG has manufacturing locations in United States, Germany, United Kingdom, China, Canada, India, South Korea, Ireland, Brazil, Spain and Luxembourg.

Siemens Healthineers AG's procurement function is managed globally and is responsible for managing the procurement organised by material fields within commodity management. Australian-specific aspects and local procurement is handled by Siemens Healthineers AU.

In FY22, the Siemens Healthineers AG group of companies' total procurement volume was EUR10.5bn / AUD 16.15bn, representing spend with approximately 30,000 suppliers globally with the main purchasing countries being US, Germany, China, Great Britain and Japan. The main commodities being sourced are externally manufactured reagents, logistics, travel, machined parts, temporary labour hire, IT (application management services and hardware), medical devices and real estate.

In Australia, Siemens Healthineers AU's total supplier spend in FY22 was over EUR269M, / AUD 413.9M, with the vast majority of this spend comprising sourcing from Siemens Healthineers AG's global manufacturing locations. The remainder comprises purchases of goods and services from 393 third party suppliers. Of Siemens Healthineers AU's third party suppliers, 127 new suppliers were onboarded in FY22, and all but a handful are direct first- tier suppliers, based in Australia.

The main goods and services procured from Siemens Healthineers AG's manufacturing locations were goods and services required to operate as a supplier of medical devices, parts, consumables and reagents and associated services.

Siemens Healthineers AU's third party sourcing in Australia comprises the following goods and services:

%	Commodity Description
18.6%	Logistics - Air
11.2%	Maintenance Services
9.9%	Installation Services
7.2%	Logistics - Ground
5.9%	Travel
5.9%	Turnkey Construction/Civil Works
5.1%	Medical Accessories
2.7%	Medical Devices
2.4%	Real Estate
2.4%	Instruments Original Equipment Manufacturing (OEM-I)
2.4%	Advisory Services
2.1%	Logistics – Courier, Express and Parcel Services
1.4%	Cooling Systems
1.3%	IT - Managed Communication Services (Internal Demand)
1.2%	Helium
20.3%	Other commodities representing less than 1% of total spend

2. Risk of modern slavery practices in the operations and supply chains of Siemens Healthineers Australia

Policies and governance

Globally, Siemens Healthineers AG requires that all employees and managers, suppliers and third party intermediaries comply with all applicable laws and regulations based on – amongst others – the Universal Declaration of Human Rights¹, International Labour Organisation's International Labour Standards, the United Nations Convention against Corruption² and OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions³.

Every Siemens Healthineers AG group company employee, including managers and the managing boards are required to comply with Siemens Healthineers AG's global Business Conduct Guidelines. These Guidelines mandate how we conduct business, act within our company and in relation to external business partners on various topics that include basic working conditions and human rights.

We have made responsible business practices a core element of our supplier management processes. All Siemens Healthineers AU's business partners are requested to adhere to the Siemens Group Code of Conduct for Suppliers and Third Party Intermediaries ("Code of Conduct") which sets out the standard of ethical, lawful and sustainable conduct expected from our business partners.



Fig. 1 – Siemens Group Code of Conduct for Suppliers and Third Party Intermediaries

The Code of Conduct is based on – among others – the Ten Principles of the United Nations Global Compact 4 but also reflects the Siemens Healthineers AG “Business Conduct Guidelines”. Through the mandatory Code of Conduct, Siemens Healthineers AU’s suppliers commit to minimum standards for the following:

- Legal Compliance;
- Prohibition of corruption and bribery;
- Fair competition, anti-trust laws and intellectual property rights;
- Conflicts of interest;
- Respect for basic human rights of employees;
- Prohibition of child labour;
- Health and Safety of employees;
- Environmental protection;
- Supply Chain (2nd tier suppliers); and
- Conflict Minerals.

In isolated circumstances where a business partner’s refuses to accept the Code of Conduct (for example, because their organisation follows their own separate code), a mandatory escalation process is undertaken to confirm that the business partner has committed to obligations equivalent to the Code of Conduct.

Any exemption from the Code of Conduct is valid for a limited period and requires annual review. If no exemption is warranted in the circumstances of a particular entity who refuses to comply, Siemens Healthineers AU will refuse to engage further with that business partner.

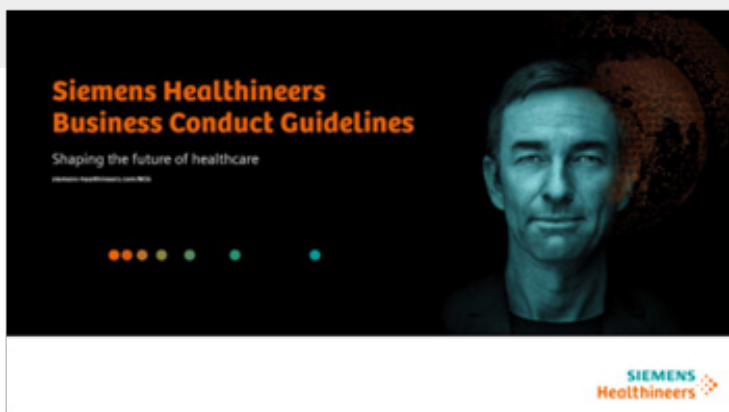


Fig. 2 –
Siemens Healthineers
Business Conduct
Guidelines

Due Diligence of suppliers in the Siemens Healthineers Australia supply chain

As a manufacturer of medical devices and in vitro diagnostics, Siemens Healthineers AG holds the responsibility for ensuring the finished product's conformity with applicable quality and regulatory requirements. Siemens Healthineers AU is the Australian importer and sponsor of Siemens Healthineers AG medical devices.

Siemens Healthineers AG manufacturing sites are certified to regulatory and quality system requirements such as International Standards Organisation's ISO 13485 – Medical Devices. This standard requires the manufacturer to establish appropriate controls for all products and services obtained from both "external" and "internal" suppliers. A key part of this is ensuring that our suppliers agree contractually to abide by the Code of Conduct.

Siemens Healthineers AU maintains appropriate supplier quality management processes that meet applicable local legal and regulatory requirements as well as the requirements established by Siemens Healthineers AG. We evaluate and review our sustainability principles as part of the overall supplier quality management process at the following levels:

- **Supplier Qualification:** our supplier management processes ensure that all of our third party suppliers are onboarded following the same process
- **Supplier Evaluation:** our third-party supplier monitoring is based on a harmonised risk management framework that depends on the specific scope of delivery and product impact. This process describes how we ensure that feedback is provided to the supplier about any deficiencies with the products or processes.
- **Supplier Development:** activities aimed at sustainable cooperation between Siemens Healthineers and our suppliers as well as the continuous identification and realisation of optimisation opportunities.

3. Action taken by Siemens Healthineers Australia to assess and address modern slavery risks, including due diligence and remediation processes

Assessment and mitigation of modern slavery risk

Siemens Healthineers AG's group of companies has robust processes in place to manage workplace relations across the organisation globally. The potential exposure to modern slavery is heightened when purchasing goods and services from third party suppliers. During the reporting period, Siemens Healthineers AU has continued to improve upon our supplier quality management processes.

Our established risk assessment methodology allows us to categorise suppliers from lower / higher risk countries based on OECD and TI/CP Indexes as a determining factor for the supplier categorisation. Additionally, Siemens Healthineers AU uses a secure and integrated global application for Supplier Lifecycle Management ("SLiM"). SLiM is the single reference point for specific supplier quality management use cases, including sourcing decisions and initial supplier qualification. Suppliers that do not meet the requirements for approval in SLiM, as determined by either Siemens Healthineers AG Procurement or Quality criteria, will not be permitted to do business with Siemens Healthineers AU. On an ongoing basis, SLiM is used for supplier evaluation activities to ensure that existing suppliers are continuing to meet minimum criteria on at least an annual basis.

In FY22, our Modern Slavery Working Group engaged with a number of suppliers identified as operating in industries known to be at higher risk of modern slavery.

Based on independent information suppliers operating within the IT procurement, logistics and property and building services industries were identified as presenting an increased risk. Siemens Healthineers engaged with 15 randomly selected suppliers through this process, reviewing details of modern slavery statements for those suppliers who were reporting entities under the Act, and requesting responses to a detailed modern slavery questionnaire from all suppliers. Responses were reviewed and considered by the Modern Slavery Working Group, with a number of suppliers identified for further focus as part of established supplier evaluation and audit processes.

During the reporting period, Siemens Healthineers AU proactively engaged with our supplier base to ensure that all existing suppliers were "Ready for Business" (R4B). These R4B activities help to ensure that existing suppliers, who may have been transacting with Siemens Healthineers AU for some time, continue to fulfill all minimum supplier qualification requirements expected of new suppliers, including agreement to abide by the Code of Conduct. Additionally, existing suppliers may be required to fulfill other requirements to achieve R4B status based on defined triggers, e.g. country of location or type of products and services delivered.

Siemens Healthineers' standard Conditions of Purchase require compliance with the Act, and we also continued to engage with a number of our customers regarding our efforts to identify and address modern slavery within our supply chain with the mutual aim of mitigating risks for both our business and our customers.

4. How Siemens Healthineers Australia assesses the effectiveness of these actions

Our Compliance System – Management responsibility is the focus

Siemens Healthineers AG continuously develops our compliance system in order to adapt it to changing requirements according to our global business. Detection Modules (as explained below) monitor adherence with the requirements and principles of the Code of Conduct. Siemens Healthineers AU is required to comply with the global Siemens Healthineers AG compliance system through its chain of command.

Corporate Responsibility Detection Modules

We apply a risk-based approach to the identification of sustainability-related risks in our supply chain. This considers both internal and external information sources that enable us to focus our risk mitigation activities where they are most needed. Possible actions include the initiation of a development plan, a sustainability audit, or the termination of the relationship with the supplier.

Internal - The internal approach is based primarily on our supplier qualification process and on regular supplier audits, which include an assessment of any change to modern slavery risk. These processes are designed to systematically identify potential risks in our supply chain that relate to corporate responsibility. Suppliers that perform below a certain threshold are evaluated individually to determine the next steps.

External - To identify risk we also make use of external sources. Examples of such sources are Non-Governmental Organisation databases, media reports or peer group company networks. The ultimate holding company of Siemens Healthineers AG, Siemens Aktiengesellschaft, is a member of Global Business Initiative on Human Rights (GBI), one of the leading international networking initiatives in the field of human rights, as well as the European Business and Human Rights Peer Learning Group of the Global Compact Network. Whistle-blower information channelled through an independent Ombudswoman or the 'Let Us Know' reporting hotline.

The following risk-based Detection Modules have been implemented within Siemens Healthineers AG:

- 1. Corporate Responsibility Self-Assessment (CRSA):** a company-wide standardized online questionnaire to evaluate suppliers' compliance with the Code of Conduct. The CRSA is repeated at defined intervals.
- 2. Supplier Quality Audits:** used to verify and continuously improve the quality and capabilities of suppliers. They may be conducted on a scheduled or 'as needed' basis.
- 3. External Sustainability Audits:** Siemens Healthineers AG has appointed internationally recognised auditing companies which conduct these on-site audits based on the principles outlined in the Code of Conduct.
- 4. Incident Driven Inspections:** carried out in cases where a suspected violation of the requirements of the Code of Conduct has occurred.

The ideal outcome of the above Detection Modules is an ongoing development of the supplier that, after the agreed implementation time, corrects all deviations from the requirements of the Code of Conduct. Should the Detection Modules demonstrate irreparable conditions, or should the proposed actions not be implemented by the supplier, Siemens Healthineers AU has the right to terminate the purchasing contract.

Grievances and Remediation Processes

All allegations of possible compliance violations are responded to in accordance with formal company-wide processes.

Siemens Healthineers AU:

- Will examine all reports, investigate the relevant facts and take appropriate measures,
- Does not tolerate any retaliation against complainants or whistle-blowers.
- Maintains confidentiality and provide whistle-blower protection in accordance with applicable legislation
- Will take appropriate action in the event of demonstrable violations, including disciplinary consequences.
- Will apply the same principles to allegations of wrongdoings brought by suppliers and other third parties, to the extent legally permissible.

Globally, Siemens Healthineers AG has appointed an independent Ombudsperson to receive, monitor and assess possible violations in a confidential manner. Employees and third parties can confidentially and anonymously confide in this impartial professional should they become aware of improper business practices.

In addition, Siemens Healthineers AG whistle-blower hotline “Let Us Know” provides a secure and confidential channel for employees or third parties to report suspected non-compliant or otherwise problematic actions 24 hours a day: online, anonymously if desired, and in several languages.

5. Continuous improvement

Modern Slavery Working Group

Siemens Healthineers AU's cross-functional Modern Slavery Working Group is responsible for remaining informed of any risks concerning modern slavery in the supply chain, overseeing the implementation of policies and procedures to address modern slavery risks and preparation of the annual modern slavery statement. The working group includes representatives from executive management, sales, procurement, quality, legal, compliance and human resources departments.

"Ready for Business"

As part of R4B activities already described in section 2 of this Statement "Actions taken...", Siemens Healthineers AG has announced plans to implement a global purchasing block in early FY23 for any supplier that is not R4B. Clearly documented acceptance of the Code of Conduct for all existing suppliers is a critical part of our organisation's modern slavery risk mitigation.

Siemens Healthineers Sustainability Report

November 2021 saw the publication of Siemens Healthineers AG's inaugural Sustainability Report (previously, the report of Siemens Aktiengesellschaft incorporated all Siemens group companies). The report includes details of our social commitment to respect human rights, including measurable sustainability indicators to assess progress.

German SCCD ACT

Throughout FY22, Siemens Healthineers AG continued to make preparations the implementation of the new German Supply Chain Due Diligence Act (SCDDA). The aim of the SCDDA, which comes into force on 1 January 2023, is to better protect human rights and to better meet the global responsibility for ensuring that human rights are respected along the supply chains. The SCDDA is obligatory for companies with more than 3.000 employees based in Germany, and due diligence obligations must also be fulfilled by foreign subsidiaries. The first risk analysis under the SCCDA is expected to be published by Siemens Healthineers AG within FY23.

Proactive supplier assessments

For the first time in FY22, Siemens Healthineers AU's quality assessments of our supply chain was conducted entirely within the new SLiM tool. This tool provides a single point of reference for supplier quality management decisions, including initial qualification of new suppliers and regular assessment of ongoing suppliers. Siemens Healthineers AU recognises the need to continue to address the risk of modern slavery within our supply chain and regularly reviews our processes and procedures in this regard.

This Statement was approved by the Board of Siemens Healthcare Pty Ltd on 22 March 2023.

Signed:



Michael Shaw,
Managing Director
Siemens Healthcare Pty Ltd

Date: 30 March 2023

¹ United Nations General Assembly, Paris, adopted 10 December 1948, The Universal Declaration of Human Rights

² United Nations General Assembly, 31 October 2003 adopted by resolution 58/4, United Nations Convention 1 against Corruption

³ Adopted by negotiating OECD Conference on 21 November 1997

⁴ <https://www.unglobalcompact.org/what-is-gc/mission/principles>

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