



**FRESENIUS
MEDICAL CARE**



Modern Slavery Statement

Fresenius Medical Care Australia Pty Limited

Financial Year 2022/2023



Fresenius Medical Care Statement is submitted in accordance with the requirements of the Modern Slavery Act 2018 (Cth).

List of contents

Modern Slavery Statement	1
Introduction	3
A. Reporting entity	4
B. Structure, operations and supply chain	4
C. Risks of Modern Slavery	5
D. Actions taken to Assess and Address the Risk of Modern Slavery	5
E. Assessment of Effectiveness	8
F. Sign-off	9

Introduction

At Fresenius Medical Care, we strive to improve the lives of our patients through superior services and products. Fresenius Medical Care aims to promote environmentally sustainable health systems and our long-term success depends on every individual conducting business with honesty, integrity and respect for human rights and the interests of our employees, customers, and investors as well as other stakeholders.

We recognise that addressing modern slavery risks is a business-critical matter, as not only is it the right thing to do, it will also improve the integrity and quality of business operations and supply chains. Fresenius Medical Care AG and its affiliates (jointly “Fresenius Medical Care Group” or “FME”) is the world’s leading dialysis provider; we work closely with a global supplier and business partner network. At both the Fresenius Medical Care Group and local level, conducting business in an ethical and responsible manner is part of our corporate responsibility. We expect the same high standards from our suppliers, and this includes the expectation that they conduct their business in a lawful and ethical manner, which comprises adopting business practices that prevent or eliminate modern slavery and human trafficking from taking place within their own business area and also their onward supply chain.

As stipulated in our Human Rights Statement, Global Supplier Code of Conduct, our Code of Ethics and Business Conduct and our Compliance Brochure for Business Partners we further expect our suppliers and business partners to take best efforts to minimise the adverse impacts of their activities on the environment and the society and to control any significant environmental, human rights, occupational health & safety and compliance risks.



This fourth Modern Slavery Statement sets out the steps taken by FME during its financial year ending 31 December 2023 to prevent slavery and human trafficking from taking place in any part of its business or its supply chains.

Fresenius Medical Care Australia Pty Limited has consulted the relevant companies under its control or ownership in the development of this Modern Slavery Statement.

A. Reporting entity

This statement is for our financial year ending 31 December 2023 for Fresenius Medical Care Australia Pty Ltd, ABN 80 067 557 877, Level 3, 78 Waterloo Rd, Macquarie Park, NSW 2113.

This statement also covers other Fresenius entities which include Fresenius Medical Care Production (Australia) Pty Ltd, Fresenius Medical Care South Asia Pacific Pty Ltd, Artistic Manufacturing Pty Ltd, Fresenius Medical Care Australia Pty Ltd (New Zealand branch) and Fresenius Medical Care Seating (Australia) Pty Ltd. For completeness, Fresenius Medical Care South Asia Pacific Pty Ltd and Artistic Manufacturing Pty Ltd are dormant companies.

These entities are all jointly referred to as "FME ANZ".

B. Structure, operations and supply chain

FME ANZ is one of the leading independent providers of dialysis care in Australia. You can find out more about our organisation and what we do at <https://www.freseniusmedicalcare.com.au>

The main products we sell are:

- Hemodialysis machines
- Dialysers
- Bloodlines
- Dry concentrates
- Peritoneal dialysis machines
- Peritoneal dialysis bags
- Peritoneal dialysis accessories
- Acute machines
- Acute kits
- Acute fluids
- Spares

We are a vertically integrated company, which means we can offer products, services and support along the entire dialysis value chain. Our primary suppliers are affiliated Fresenius Medical Care entities based in Germany who manufacture our dialysis products. We also purchase and obtain goods from other third-party suppliers across Australia and Asia. FME ANZ is committed to taking appropriate measures to identify and manage modern slavery and human trafficking risks within both our own business operations and our supply chain. We require numerous raw materials, packaging materials, components and services, which we procure from approximately 130+ external suppliers which is ~46% of total cost of goods procured. At FME ANZ, over 54% of goods purchased in 2023 are with FME affiliate companies.

In our vertically integrated organisation, our local procurement team manages procurement for our manufacturing business (Care Enablement) and our health care services business (Care Delivery). They are responsible for managing the contractual business relationships with our suppliers, including the necessary checks and onboarding processes. They are working on strengthening sustainable supply chain management in alignment with the Global Procurement Function and in close collaboration with the Global Sustainability department.

C. Risks of Modern Slavery

FME has established frameworks to identify material risks and is continuously monitoring their effectiveness and appropriate management. Moreover, foundational processes are continuously being developed and applied to identify risks within geographic, industry, product and service areas of FME's own operations and its supply chain.

At local level, FME ANZ has not identified any specific instances of modern slavery. However, it has identified the following as potential risk areas within its supply chain where the perception of or potential for risk factors of modern slavery to be more likely:

Operations and service providers:

Logistics and warehousing professional technical services, auxiliary services and offshore back-office support.

Other goods not intended for sale:

Brand affiliated materials and other sundry supplies.

Most of the products that are sold and used by FME ANZ are supplied by Fresenius Medical Group entities based in Germany. FME recognises that collaborating with all its stakeholders can contribute towards the eradication of any form of modern slavery.

D. Actions taken to Assess and Address the Risk of Modern Slavery

FME is fully committed to the highest quality of our products and services, integrity in dealing with our partners, responsible conduct, and reliability. At both a global and local level, we do not tolerate the use or threat of violence, or any other form of coercion. We strictly forbid using, supporting, or approving any form of exploitative labor, forced labor or human trafficking. While we hold ourselves to a high standard, we apply equally high standards to the suppliers and other third parties we are working with. We expect them to comply with the principles set out in our key documents to implement appropriate processes to respect human rights including prevention of modern slavery – within their own operations and business activities, as well as in their supply chains. Upon request, we expect them to show and explain how they comply with our expectations.

Globally

Governance

The Fresenius Medical Care Management Board oversees our Human Rights Due Diligence program. The operational implementation is guided by clear responsibilities: our Human Rights Office ("Office") within Global Legal Function acts as an internal and external contact point for human rights related topics. The Office works closely with the relevant functions and business segments to ensure the proper implementation of our commitment to respect human rights, and monitors the overall status of activities. The responsible teams, e. g., Human Resources, Procurement and other, assess relevant risks and take appropriate risk management measures. A cross-functional steering committee provides strategic guidance and supervises the further development of our activities.

Guidance Documents

Our activities are guided by the principles specified in the UN Universal Declaration of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. We are also guided by the UN Guiding Principles for Business and Human Rights.

FME has built a framework to operationalise our commitments to respecting human rights, consisting of the following [guidance documents](#), applicable to all FME entities:

- Code of Ethics and Business Conduct
- Human Rights Statement
- Global Social and Labor Standards Policy
- Supplier Code of Conduct
- Compliance Brochure for Business Partners
- [Reporting Potential Violations Policy](#)

Further details on FME’s policies can be found at: [Policies and standards | Fresenius Medical Care](#)

Our global compliance program is based on the Code of Ethics and Business Conduct (“Code”), a binding framework that governs how our employees interact with patients, colleagues, business partners, government officials and other stakeholders.

Our commitment to respect human rights is further specified in our Human Rights Statement issued by our Management Board in 2023 that supersedes the previous “Human Rights, Workplace Rights, Labour and Employment principles”. It presents our strategic framework on human rights taking into account the outcomes of our human rights risk assessment and summarising our approach to respecting human rights in our own operations as well as in our business relationships. Our human rights efforts are supported by policies and activities. For example, our Global Social and Labor Standards Policy specifies our commitment to offering fair and transparency. This includes the prohibition of any form of modern slavery, including forced labour and human trafficking. All employees and workers shall freely decide if they want to start employment with us and shall have the right to terminate their employment after giving reasonable period of notice, in line with applicable local laws. Salaries shall not unlawfully be withheld. Practices such as unlawful retention of employees’ original identification documents (e.g. passport, social security card, work permits) that restricts an employee’s access to such documents are prohibited. The same applies for requests for deposit or payment of fees to enter employment with Fresenius Medical Care Group.

Strategic Pillars

Fresenius Medical Care Group has also developed a global strategic framework to Human Rights Due Diligence based on three pillars: (1) identify risks; (2) raise awareness of human rights risks, existing preventive/remedial measures and potential impacts within relevant functions and in business relationships; (3) improve practices that incorporate human rights considerations in our business processes.



Responsible Procurement Principles

Our responsible procurement principles reflect our commitment to promoting sustainable business practices in our daily operations. We expect our suppliers to share our commitment and demonstrate sustainable environmental and social business practices across their supply chains. Our expectations are guided by the standards of the International Labour Organization (ILO), and those of the UN Global Compact. Our Supplier Code of Conduct as well as our Compliance Brochure for Business Partners form the basis of our contractual relationships. These documents include the minimum requirements our suppliers must meet. We expect them to establish adequate procedures within their organisations, as well as in their value and supply chains, to comply with respective requirements.

Risk Assessment

As a global organisation with a complex value chain operating in various countries, we are aware that human rights risks and impacts may occur. To identify and prevent, minimise, or end human rights risks or adverse impacts, we implement adequate risk management processes throughout the organisation. We perform *inter alia* a regular risk analysis – for our own operations as well as applicable business partners and suppliers. We also perform an ad hoc risk assessment of our indirect suppliers whenever we have indication of human rights or environment-related violations.

We started including human rights and environmental (jointly “sustainability”) criteria in the selection process for new suppliers & business partners in 2023. We implemented new procedures, taking into account legal requirements of the German Supply Chain Due Diligence Law, UK and Australian Modern Slavery Acts and Bill S-211 in Canada. This new procedure includes sustainability criteria, comprising considerations related to modern slavery risks, in the evaluation and selection of suppliers.

Our risk assessment approach involves assessing the suppliers’ potential risks based on country and industry-related factors. To evaluate our suppliers’ sustainability performance, we may ask them to self-assess their compliance with our sustainability requirements. To obtain an objective evaluation of the suppliers’ processes, we may also request a third-party assessment as well as documented evidence to confirm compliance with our requirements.

Locally

Consistent with global governance standards, FME does not tolerate nor agree to any form of modern slavery, including but not limited to, trafficking in persons, slavery, servitude, forced marriage, debt bondage, deceptive recruiting for labour or services and the worst forms of child labour.

Local Modern Slavery Working Group

FME ANZ has established a local modern slavery working group, involving its key management teams – Compliance, Legal, Procurement and Manufacturing Supply Chain - to raise awareness of the potential issues of modern slavery and to execute a plan to assess modern slavery risks in our business and supply chain.

Risk Assessment

Prior to entering new business relationships, and as part of our continuous monitoring of existing business partners and suppliers, we assess third parties for compliance risks (Compliance Onboarding).

We use this information to identify suppliers and business partners that do not yet fully comply with our sustainability standards and initiate appropriate follow-up action. In addition, we monitor public information related to our suppliers for negative reports regarding our suppliers’ business conduct related to sustainability including modern slavery.

In 2023, we screened 100% of our most important suppliers in Australia based on relevant spend, compared with 20% screened in 2020. These suppliers represented 100% of our total external spend in 2023.

Furthermore, for higher risk counterparties, FME ANZ is entitled (in our contracts) to conduct on-site inspections to verify the information provided. Potential violations of laws, rules or standards can also be reported to our Compliance Action Line.

Contractual Obligations

FME ANZ has ensured that, where possible, it has included in its business partner and supplier contracts appropriate contractual clauses which impose a requirement for the business partner and/or supplier to comply with relevant local laws relating to anti-modern slavery and human trafficking. In our Australian contracts with FME's business partners, suppliers and customers, FME ANZ inserts provisions on adherence to *Modern Slavery Act 2018* (Cth) expectations. When FME ANZ negotiates contracts on non-FME ANZ contract templates, we request the insertion of adherence to Modern Slavery Act provisions.

Increasing Awareness

At FME ANZ we acknowledge that assessing and addressing modern slavery risks is an ongoing process. We believe that an organisation is built on what employees achieve individually, and communication and training is an important step to ensure employees are aware of the new requirements that may have been introduced.

We incorporate our requirements and expectation with regard to human rights including modern slavery to a greater extent in the mandatory training for employees on our Code of Ethics and Business Conducts.

We also include the topics in training programs for procurement personnel on our Supplier Code of Conduct and sustainability selection criteria for new suppliers.

We also provide training specifically on Modern Slavery/Forced Labour, explaining what constitutes modern slavery, identifying the risk factors, expectations on employees to comply with FME (encompassing FME ANZ) policies and approaches to avoid modern slavery and outlining actions employees can take if they have concerns on these topics.

We will continue to train new employees and will evaluate on-going training requirements on an annual basis.

E. Assessment of Effectiveness

Our approach to measuring the effectiveness of how we assess and manage modern slavery-related issues continues to evolve. At FME (including FME ANZ), for instance, we review any report received via our grievances channel which can be used by anyone within or outside the organisation. We are committed to communicating transparently regarding the risk of modern slavery in our operations and supply chain.

During our internal company audits, FME (including FME ANZ) also assesses whether modern slavery risks have been identified.

We take compliance with the Modern Slavery Act 2018 seriously, and do not tolerate slavery and human trafficking within our supply chains.

- Externally: If we were to find evidence that one of our suppliers was involved in modern slavery or human trafficking we would investigate those allegations, and consider terminating our relationship with them if the incidents were not resolved to our satisfaction.
- Internally: We also expect all employees to comply with our legal and regulatory requirements, including Modern Slavery provisions. Repeated and serious failures to follow FME policies may lead to disciplinary action.

F. Sign-off

This statement was approved by the Directors of Fresenius Medical Care Australia Pty Limited on 17 May 2024.



Louisa Moloney
Director



Ai Peng Koh
Director