



**FRESENIUS  
MEDICAL CARE**



# Modern Slavery Statement

**Fresenius Medical Care Australia Pty Limited**

Financial Year 2020/2021

**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 and supply chain	4
C. Risks of Modern Slavery	5
D. Actions taken to Assess and Address the Risk of Modern Slavery	5
Governance	5
Update to Contractual Requirements	6
Risk Assessment and Modern Slavery Questionnaire	6
Increasing Awareness	7
E. Assessment of Effectiveness	7
F. Sign-off	8

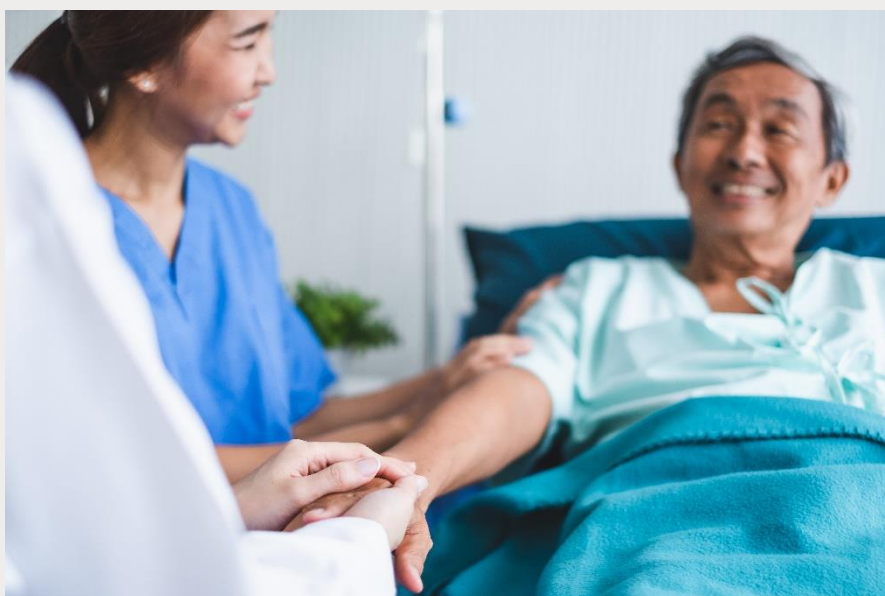
# Introduction

At Fresenius Medical Care Australia Pty Limited (FMC), we strive to improve the lives of our patients through superior services and products. 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 recognize 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.

We are committed to preventing acts of modern slavery and human trafficking from occurring within both its business and supply chain. We require numerous raw materials, packaging materials, components and services, which we procure from approximately 30 external suppliers which is around 14% of total cost of goods procured. At FMC, 86% of goods purchased in 2021 are with FME affiliate companies.

Fresenius Medical Care is the world's leading dialysis provider and we work closely with a global supplier network.

We can therefore only meet our expectations, as well as societal and customer expectations, when our suppliers also adhere to social standards and play their part in adopting business practices that prevent or eliminate modern slavery and human trafficking from taking place within their onward supply chains.



This second statement sets out the steps taken by FMC during its financial year ending 31 December 2021 to prevent slavery and human trafficking from taking place in any of its supply chains or in any part of its business.

## A. Reporting entity

This statement is for our financial year ending 31 December 2021 and has been approved by the Board of Directors on 16 June 2022 for Fresenius Medical Care Australia Pty Ltd, ABN 80 067 557 877, Level 27, 100 Miller Street, North Sydney NSW 2060 ("**FMC**"). This statement also covers other Fresenius entities which include Fresenius Medical Care Production (Australia) Pty Ltd, Fresenius Medical Care South Asia Pacific Pty Ltd and Fresenius Medical Care Seating (Australia) Pty Ltd.

## B. Structure and supply chain

FMC 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.fmc-au.com/>

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 chain. Our primary suppliers are affiliated Fresenius entities based in Germany who manufacture our dialysis products. We also purchase and obtain goods from other third-party suppliers across Australia and Asia.

In our vertically integrated organization, responsibility for procurement is shared between our manufacturing business and our health care services business as well as headquarters. The respective procurement departments are responsible for managing the contractual business relationships with our suppliers, including the necessary checks and onboarding processes. The procurement departments for our manufacturing and our health care services business have a direct reporting line to the Management Board. They are working on strengthening sustainable supply chain management in cooperation with the Company's Global Sustainability department.

## C. Risks of Modern Slavery

FMC is establishing the adequate frameworks to identify material risks and ensure they are monitored and adequately managed. . Nevertheless, foundational processes are continuously being developed and applied to identify risks within geographic, industry, product and service areas of FMC's operations and supply chain.

FMC 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 may be present:

### Good and services we sell:

FMC products, local third party products, and in-house services.

### 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 FMC are supplied by Fresenius Medical Care, from sites located across the world. FMC recognizes that collaborating with all its stakeholders can contribute towards the eradication of any form of modern slavery, mainly by maintaining close and ongoing dialogue with its business partners, suppliers and customers.

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

In 2021, FMC established a Supplier Code of Conduct which helps to maintain high ethical standards throughout the supply chain. We require our business partners to comply with our compliance brochure dedicated to business partners and the Supplier Code of Conduct. Further to that, in FY2022, a modern slavery working group which involves its key management teams – Compliance, Legal, Finance and Supply Chain to raise awareness of the issues of modern slavery and to execute a plan to assess modern slavery risks in our business and supply chain has also been established.

### Governance

Our global compliance program comprises the Code of Ethics and Business Conduct which covers topics that are relevant for our business such as our commitment to respect material human rights with regard to topics such as working conditions, non-discrimination and grievance mechanisms. FMC 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

We at Fresenius are fully committed to the highest quality of our products and services, integrity in dealing with our partners, responsible conduct, and reliability. That is what we stand for. That is what is important to us. We have built a framework to ensure this, and they consist of the following guidance documents:

- Fresenius Code of Conduct
- Business Partner Code of Conduct
- Our Compliance Management System
- Reports on Potential Compliance cases
- [Human Rights, Workplace Rights And Labour And Employment Principles](#)
- [Human Rights Statement](#).

At FMC, we acknowledge that assessing and addressing modern slavery risks in an ongoing process and we are continuously looking for opportunities to assess the risks and measure to consider in this regard. The key stakeholders, together with all employees, have a responsibility to ensure compliance with legal and regulatory requirements for the local business.

### **Update to Contractual Requirements**

FMC has ensured that, where possible, it has included in its business partner and supplier contracts appropriate contractual clauses which imposes a requirement for the business partner and or supplier to comply with relevant local laws relating to anti modern slavery.

### **Risk Assessment and Modern Slavery Questionnaire**

At FMC, the Due Diligence for all Third Parties is done via the Third Party Management Tool “OnBoard”. This is the starting point of the Third Party Compliance Lifecycle. The result of the onboarding process defines risk-based mitigation measures and the subsequent monitoring and control activities throughout the whole Third Party Compliance Lifecycle.

In the context of our Global Sustainability Program, we launched an initiative to evaluate suppliers based on sustainability risks. We cluster our suppliers according to these risks, which will enable us to monitor them more closely and take corrective action when necessary. In 2021, we further developed our risk assessment procedures, considering the requirements of the new German Supply Chain Due Diligence Law. As part of this initiative, we plan to ask our critical suppliers to provide information about their sustainability performance, for example via a self-assessment form. We aim to use this information to identify suppliers that do not yet fully comply with our sustainability standards and initiate appropriate follow-up action. In addition, we continued to screen social media for negative reports regarding our suppliers’ business conduct related to sustainability. In 2021, we screened 100% of our most important suppliers based on relevant spend compared with 20% in 2020. These suppliers represented more than 80% of our total external spend in 2021.

In 2022, FMC will perform a dedicated supplier risk assessment. The scope of suppliers will be refined by the following scope:

- (i) Cost of Goods procured
- (ii) Geographical location
- (iii) Global Slavery Index (targeting on G20 countries as they rank amongst the largest importers and exporters)

In addition, a detailed questionnaire has been drafted for critical suppliers. The findings from this questionnaire, together with the quantitative assessment mentioned above, will contribute to determine our risks level and further action with critical suppliers.

This risk assessment methodology will aim for a meaningful focus on those suppliers where the greatest risk for human trafficking and slavery may be present. To further enhance and refine the approach, and to provide insight into our supplier practices and potential risks a supplier questionnaire has been developed. This will be issued to our key suppliers identified through our risk assessment. The aim is to improve transparency between FMC and its suppliers, assess the supplier's policies and identify possible modern slavery risks within their procurement.

### **Increasing Awareness**

At FMC, we believe that an organization is build 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. In 2021, we incorporated our requirements and expectation with regard to human rights to a greater extent in the mandatory training for employees on our Code of Ethics and Business Conducts. We will also include the topics in training programs for procurement personnel on our new Supplier Code of Conduct.

In 2022, we will launch the training program for the policy for relevant employees. 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 FMC, for instance, we review any report received via our channel for greivences platform 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.


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

## F. Sign-off

This statement was approved by the Board of Fresenius Medical Care Australia Pty Limited on 16 June 2022.

DocuSigned by:  
  
887DDD336F214D1...

Andrew Currie  
Managing Director - Care Delivery

DocuSigned by:  
  
76AA6A5D56DC408...

Anbu Srinivasan  
Managing Director - Care Enablement