



Fisher & Paykel Healthcare

# **MODERN SLAVERY STATEMENT**

## FISHER & PAYKEL HEALTHCARE MODERN SLAVERY STATEMENT

Fisher & Paykel Healthcare Corporation Limited is an incorporated company listed on both the New Zealand Stock Exchange (NZX: FPH) and the Australian Securities Exchange (ASX: FPH). This Statement has been made by:

- Fisher & Paykel Healthcare Pty. Limited (Australia) (ACN 005 484 999) and Fisher & Paykel Healthcare Corporation Limited (ARBN 098 026 281), in accordance with the Australian Modern Slavery Act 2018 (Cth) (“**Australian Act**”); and
- Fisher & Paykel Healthcare Limited (UK) (CN 02887128) in respect of the UK Modern Slavery Act 2015 (“**UK Act**”).

This Statement identifies the steps taken against slavery and human trafficking by the Fisher & Paykel Healthcare Group (Fisher & Paykel Healthcare Corporation Limited and its wholly-owned subsidiaries), (“**Fisher & Paykel Healthcare**”, “**we**”, “**our**”).

This Statement outlines the steps we have taken during the financial year ended 31 March 2022 to identify and prevent modern slavery within our business and supply chains. This Statement also outlines the actions we have taken to assess and address modern slavery risks as well as how the effectiveness of those actions has been measured.

# Who we are

Fisher & Paykel Healthcare is a leading designer, manufacturer and marketer of products and systems for use in acute and chronic respiratory care, surgery and the treatment of obstructive sleep apnea.

Our medical devices and technologies help clinicians deliver the best possible patient care. They enable patients to transition into less-acute care settings, recover more quickly and avoid more serious conditions. Our firm belief in doing the right thing and creating a lasting positive impact goes beyond our commitment to patients – it also applies to our supply chain.

We are headquartered in New Zealand with people based in 53 countries.

### WHERE WE OPERATE

- Direct sales offices
- Distribution centres
- Manufacturing facilities



**53**

Countries with F&P people

**2,608**

People in North America, including Mexico

**380**

People in Europe

**3,927**

People in New Zealand

**460**

People in the rest of the world

Note: people numbers are represented as full-time equivalents.

# How our business works

Fisher & Paykel Healthcare Corporation Limited is the parent company of the Fisher & Paykel Healthcare Group. Fisher & Paykel Healthcare Limited (UK) and Fisher & Paykel Healthcare Pty Limited (Australia) are members of the Fisher & Paykel Healthcare Group, and market, sell and distribute Fisher & Paykel Healthcare products in the United Kingdom and Australia respectively.

All members of the Fisher & Paykel Healthcare Group have the same global policies, with local procedures for any country-specific regulatory requirements. Members of Fisher & Paykel Healthcare Group have a number of the same shared suppliers and operate in the same sector, which allows us to provide a consolidated joint statement.

## RESEARCH & DEVELOPMENT

Our R&D is based in New Zealand. The team works extensively in hospitals, and with patients and clinicians, in order to develop better technology that enhances patient care.

## PATIENTS

Each year millions of patients are treated with our products in over 120 countries. Seeking to understand our patients' needs is what drives our R&D programme.

## CUSTOMERS

We work with thousands of healthcare professionals, including doctors, nurses and other clinicians, providing them the products and tools to deliver the best possible care. Our largest markets by revenue are North America, Europe and Asia Pacific.



## THERAPIES

The majority of our operating revenue is from products and systems used in hospitals in invasive ventilation, noninvasive ventilation, nasal high flow therapy and surgery. The remainder is from products used in home environments to treat patients suffering from obstructive sleep apnea and those in need of respiratory support.

## MANUFACTURING

We manufacture the majority of our products in New Zealand and the balance in Mexico. The co-location of engineering, quality, manufacturing, marketing and clinical teams facilitates collaboration and an awareness of the medical device process from concept and design right through to how our products are used by patients.

## SUPPLY CHAIN

We have distribution centres located around the world and a network of distributors. We use air, sea, road and rail freight, with a focus on sustainable and cost-effective methods of transportation. We source materials from all over the world and look for socially responsible partners to support our growth.

The needs of our customers and their patients drive everything we do. We call this **Care by Design.**

# Our supply chain

We are focused on building trusted long-term relationships with our suppliers across the globe to maximise opportunities for companies and communities to thrive, all while promoting safe working environments and sustainable outcomes.

Fisher & Paykel Healthcare's core products are manufactured in New Zealand and Mexico. We have distribution centres located around the world and a network of distributors. We use air, sea, road, and rail freight, with a focus on less carbon-intensive methods of transportation where possible.

As part of our efforts to source responsibly and uphold human rights in our supply chain, we select and collaborate with suppliers that align with our values, and provide education and support on relevant standards. This is all anchored in our view that social responsibility and sustainability are inextricably linked to the way we do business.



### OVERVIEW OF OUR SUPPLY CHAIN



**2,000+** Tier 1 suppliers to New Zealand and Mexico manufacturing sites

Based in **20+** countries **4** continents

**SUPPLIERS TO OUR NEW ZEALAND AND MEXICAN MANUFACTURING OPERATIONS**

In the financial year ended 31 March 2022, purchases of products and services for our New Zealand and Mexico based manufacturing operations were made from 22 countries, spanning four regions of the world (Oceania, Asia, Americas, and Europe). 48% of our spend on products and services for our New Zealand and Mexican manufacturing operations is in Oceania (comprising Australia, New Zealand, and the Pacific Islands).

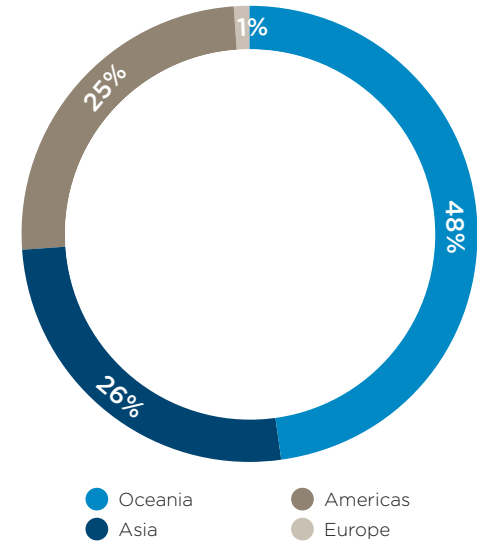
**SUPPLIERS TO OUR AUSTRALIAN SALES OPERATIONS**

For Fisher & Paykel Healthcare Pty Limited, in the financial year ended 31 March 2022, products and services for our Australian sales operations were sourced from the following locations:

- 1% of the supply of products and services was from the Americas;
- 99% of our spend on products and services was within the Oceania region.

The figures set out above exclude the purchase of Fisher & Paykel Healthcare products that were manufactured in New Zealand and Mexico, respectively, by another member of the Fisher & Paykel Healthcare Group.

**FY22 MATERIAL SPEND BY REGION**



**OUR APPROACH TO SUSTAINABLE PROCUREMENT**

We aspire to impact society in a positive way and to develop, manufacture and distribute our products in accordance with principles of sustainable development. The products and services we use to manufacture our products come from a network of suppliers around the globe.

Achieving our vision depends not only on what we do, but also on the activities of our supply chain. For that reason, we seek to purchase goods and services from suppliers that minimise negative impacts and increase positive outcomes through sustainable and ethical business practices. Our practices are based on and aligned with ISO20400 for Sustainable Procurement.

Some of our key highlights for the financial year ending 31 March 2022 include:

- **IMPLEMENTED** a new Environmental and Social Responsibility Policy

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- **ESTABLISHED** a focused sustainable procurement team, with clear roles and responsibilities

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- **COMMENCED** supplier engagement on modern slavery (covering ~35% of our overall supplier spend)

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- **HOSTED** and attended knowledge-sharing workshops with internal stakeholders

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- **INITIATED** modern slavery observations as part of supplier site visits

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- **CREATED** a new Responsible Minerals Sourcing Procedure

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Through the sustainable procurement engagement and due diligence, we:

- Consulted with a number of our key suppliers, representing approximately 35% of our total supplier spend; and
- Categorised those key suppliers into “Embarking”, “Intermediate”, “Proficient” and “Advanced” to establish parameters of where those suppliers are on their modern slavery journey.

At the end of the engagement and due diligence process, we presented our findings back to suppliers to support with ongoing consultation and engagement. This process allowed us to establish the roadmap for the upcoming 12 months, identifying areas we will work on with the relevant suppliers to address any potential modern slavery and worker exploitation risks.



# Eradicating modern slavery

As part of our commitment to do the right thing, we recognise that we have a role to play in guarding against and eradicating modern slavery.

We fully support the principles in the United Nations Universal Declaration of Human Rights and the International Labour Organisation Declaration on Fundamental Principles and Rights at Work, including non-discrimination, freedom of association and collective bargaining, and freedom from forced and child labour.

We will continue to verify and validate our environmental, social and ethical performance and that of our suppliers, and work to continuously improve this performance. We seek relationships with suppliers who share a common commitment to:

- Incorporate quality business processes within their day-to-day operations.
- Conduct their business ethically and with integrity.
- Comply with all laws and regulations.
- Respect human and employee rights.
- Promote and maintain a health and safety culture within their organisation.
- Design for sustainability.
- Monitor and minimise any negative impacts on the environment.
- Have systems in place to ensure business continuity, continuous improvement and protection of intellectual property.

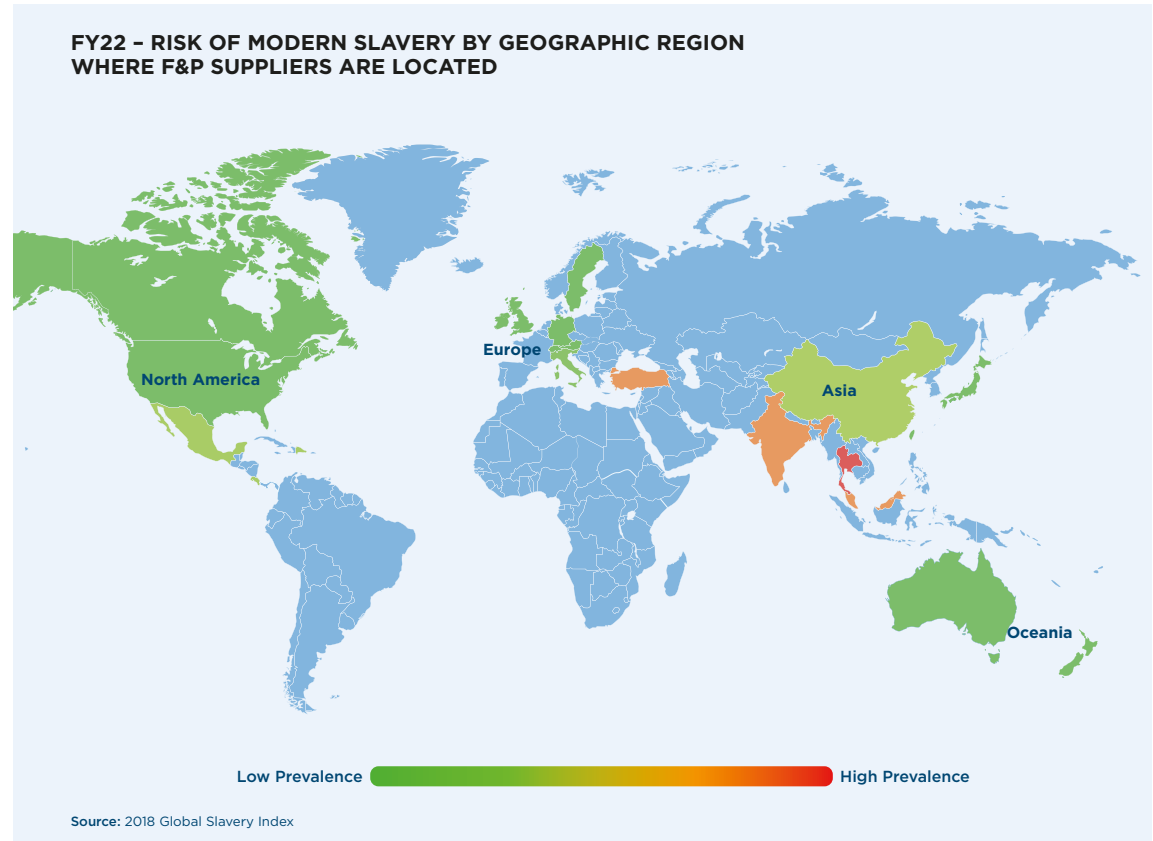


**MODERN SLAVERY RISKS IN OUR OPERATIONS AND SUPPLY CHAINS**

Fisher & Paykel Healthcare Group has assessed the key modern slavery risks in its operations and supply chains within New Zealand and internationally. As a large manufacturer, we recognise that our risk is likely moderate in respect of potential modern slavery risks.

Within our Australian operations, 99% of our sourcing is with products and services suppliers in the Oceania region. This allows us to work closely with and evaluate any potential modern slavery risks with regular engagement and visits.

To determine where the biggest risk of potential modern slavery lies within our supply chain for our New Zealand and Mexico operations, we have undertaken a due diligence exercise. We evaluated direct suppliers that provide products or services that are used in Fisher & Paykel Healthcare’s medical devices, or in the manufacturing of such devices. As part of this exercise, we have identified through a heat-map the geographical regions where our suppliers are located, cross-referencing the prevalence of modern slavery in those regions based on the 2018 Global Slavery Index.



While we source globally, a large portion of the externally procured products and services for our New Zealand and Mexico operations originate from suppliers in Asia and North America, with highest-risk categories being electronics and textiles. Through this heat-mapping exercise, we have been able

to undertake a sustainable risk-based approach by focusing first on the geographical areas of potential highest risk. To support our suppliers in these regions and to ensure transparency, our local teams personally interact with and visit our suppliers on a regular basis to understand and evaluate their operations.

## OUR APPROACH TO ADDRESSING MODERN SLAVERY RISKS

We have processes in place to identify and address modern slavery risks within our supply chain and aid in our procurement decisions. These processes include our Code of Conduct and Supplier Code of Conduct (outlined below). We have also evolved our procedures over the 2022 financial year to include supplier assessment surveys and the requirement for specific modern slavery indicators to be monitored in our supplier site visits.

We acknowledge that the highest-risk factors which could potentially link to modern slavery violations within our supply chain and operations relate to the use of forced labour, with particular risks for migrant workers. Specifically, use of forced labour covers potential risks for deceptive recruitment of labour, including retention of passports and other identity documents, or poor working conditions and pay.

We have begun surveying suppliers to understand their risk profile and have commenced the hiring process for a sustainable procurement specialist to be based in Asia (as the area we have identified of having highest potential modern slavery risk in our supply chains). We are also in the process of contracting a third party to assist with a deep-dive assessment on environmental and social responsibility impacts of our supply chain.



Our suppliers must confirm their commitment to our Supplier Code of Conduct. We have a supplier assessment form on our supplier onboarding portal, which has to be completed by suppliers whose goods or services are used to manufacture products or have the potential to impact the safety of our people or products. From the information requested on the supplier assessment form, we are able to assess the supplier and (where applicable) their subcontractors' history and commitment to fair, ethical and legal employment practices and the eradication of child, forced or compulsory labour in the supply chain and operations.

Fisher & Paykel Healthcare completes a global sustainability risk assessment annually based on our knowledge and understanding of the sustainability impacts relating to the materials we source, our supply chain and sourcing countries.

We have developed a sustainable procurement framework aligned with ISO20400 standards (Sustainable Procurement) to provide structure around identifying, monitoring and addressing risk, along with our approach to building a culture of awareness and knowledge on social and environmental topics relevant to our supply chain.

We have recently established an Environmental and Social Responsibility Governance Group. The purpose of the governance group is to oversee a range of workstreams and initiatives relating to supply chain, sustainable procurement and modern slavery. The Environmental and Social Responsibility Governance Group is comprised of senior managers from across our business, to ensure we have engagement from a range of different research and development, sales and corporate units.

## OUR POLICIES FOCUSED ON ADDRESSING MODERN SLAVERY RISKS

We are committed to building a supply chain aligned with our approach to social responsibility and sustainability, as set out in our policies. We use an integrated enterprise resource planning system and a strong quality management system to ensure that our supply chain is transparent and coordinated across our wider supply chain network.

We have a number of processes that address modern slavery risks, and which drive our purchasing decisions to consider a holistic approach across economic, environmental and social aspects. These policies include:

### ● Codes of Conduct

We expect our directors, employees, executives and contractors to maintain high ethical standards. Our Company Code of Conduct applies to all employees, executives and contractors within the Fisher & Paykel Healthcare Group globally. We have also created a separate Code of Conduct for Directors.

The Codes cover a range of areas relevant to legal and ethical behaviour, including but not limited to, competing fairly, health and safety, working with customers and suppliers, sanctions compliance, and combatting bribery and corruption. The Codes have been translated into a number of different languages for our global offices. Training on our Code of Conduct is undertaken by employees globally and is part of our induction process for new employees. New directors are provided a copy of the Director's Code of Conduct during their induction training.

We implemented our Speak Up Policy globally in October 2021. This whistleblowing/protected disclosures policy sets out how actual or suspected breaches of the Codes of Conduct, or any potentially unethical or illegal behaviour, can be reported without fear of retaliation or harassment. As part of the Speak Up Policy, we have engaged a third party to provide a service so reports can be made to an independent third party. For FY23, we are looking to expand this service so that it can be used by our suppliers and third-party contractors to report suspected or actual modern slavery violations.

### ● Supplier Code of Conduct

Our Supplier Code of Conduct reflects our values and expectations for all suppliers, contractors and consultants who provide goods or services to Fisher & Paykel Healthcare. The Supplier Code of Conduct sets out minimum standards expected of suppliers.

Our Supplier Code of Conduct sets out the requirements for suppliers to treat people with dignity and respect, including but not limited to:

- not hiring or using forced, compulsory and/ or child labour;
- promoting awareness around the importance of a diverse and inclusive workforce;
- having systems in place for the review of internal policies and practices in order to have an inclusive approach; and
- respecting employee rights to freedom of associated and collective bargaining.

Should a supplier fail to comply with the Supplier Code of Conduct, as a first step we would work with the supplier to identify and mitigate risks to support them to change their behaviour and general practices addressing modern slavery risks. Continued or repeated breaches of the Code may result in termination of the arrangements between us.

In addition to the Supplier Code of Conduct, our Australian entity, Fisher & Paykel Healthcare Pty. Ltd, also has additional onboarding processes for suppliers in respect of finance, quality and regulatory.

## ● Environmental and Social Responsibility Policy

Our new Environmental and Social Responsibility Policy was introduced in November 2021. This is a global policy and applies to all of Fisher & Paykel Healthcare's operations and locations. Our intention is to create a positive lasting impact on society and the environment.

One of the fundamental ways in which we want to achieve this is through verifying and validating our environmental, social and ethical performance, and that of our suppliers. We will collaborate with others to continuously improve this performance. This includes building trusted long-term relationships to create better outcomes for all, as well as striving to provide a high quality of life for our employees and support our suppliers to do the same for their people. Fisher & Paykel Healthcare is committed to complying with the letter and spirit of laws and regulations relating to environmental and social responsibility.

The Environmental and Social Responsibility Governance group will establish an environmental and social responsibility programme based on gap analysis and prioritisation within our operations and supply chain.

## ● Responsible Minerals Sourcing Procedure

In April 2022, we implemented our Responsible Minerals Sourcing Procedure, which sets out the way in which Fisher & Paykel Healthcare will source and use minerals. We understand the importance of actively mitigating human rights abuses and other risks related to the extraction of specific minerals from areas where armed conflict and human rights abuses may occur.

We work with existing suppliers and monitor supply chain risks related to conflict minerals to ensure responsible minerals sourcing.

As part of this process, we actively review, assess and mitigate supply chain risks within our supply chain and operations. This review includes annually updated information from the Responsible Minerals Assurance Process (RMAP), an approach created by the Responsible Minerals Initiative to help companies make better decisions about responsibly sourced minerals in their supply chains.

The RMAP identifies smelters that can demonstrate, through an independent third-party assessment, that the management systems and sourcing practices for minerals are in conformance with RMAP standards. All suppliers that are identified to supply (or are known to supply) tin, tantalum, tungsten and gold are asked to provide sourcing data using the RMAP model set out above. As a part of the ongoing process of due diligence, we steer our suppliers (and their supply chains) to source minerals from smelters validated via RMAP (or an alternative equivalent).

Our process for responsible minerals sourcing is consistent with the OECD Due Diligence Guidance for the Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. One of the key aims of this process is to ensure we are mitigating human rights abuses, including modern slavery.

## OUR TRAINING

All staff globally are required to undergo training on the Code of Conduct.

Quality, procurement and sourcing staff receive additional training on the principles and processes that Fisher & Paykel Healthcare follows in managing its supply chain, including its due diligence and risk assessment and management processes and procedures.

## OUR ASSESSMENT OF THE EFFECTIVENESS OF OUR APPROACH

Fisher & Paykel Healthcare is committed to reviewing its supply chains and operations to continuously assess modern slavery risks. As a large organisation with a complex supply chain, we acknowledge that there is work to be done in this area.

If a potential or actual modern slavery incident was identified in our supply chain or operations, it would be treated in a similar way to other violations, such as a material health and safety incident. The approach primarily focuses on engaging and collaborating with

suppliers where any potential breaches have been identified, to implement remedial measures. This includes corrective actions to address the underlying causes and violations to prevent reoccurrence.

During this reporting period, our key focus has been on understanding our modern slavery risks within our supply chain and operations. Assessing and addressing modern slavery risks within our operations and supply is an ongoing process, and we are putting in place procedures to assess the effectiveness of our actions so that they can be built upon.

As part of this assessment, we have undertaken regular reporting to our Audit and Risk Committee. The Committee is responsible for reviewing and monitoring our environmental and social risk management framework as well as how proposed actions may be performed. We have also undertaken the due diligence process for our direct product and services suppliers and will continue working closely with them. Through the work the Environmental and Social Responsibility Governance Group undertakes, we will be able to continue to assess the effectiveness of our actions for the next financial year.

We are not aware of any modern slavery violations in our supply chain and operations during this reporting period.



**FOCUS AREAS FOR FY23 AND FY24**

- **INTRODUCE** our new Sustainable Procurement Framework to suppliers

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  - **COMPLETE** recruitment of sustainable procurement specialist to cover the Asia region

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  - **SELECT** third-party specialist for deep dive of high-risk areas of our supply chain

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  - **IMPROVE** internal and external reporting and disclosure

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- **CONTINUE DEVELOPING** and measuring key performance indicators to monitor effectiveness of our initiatives

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  - **CONTINUE TO EDUCATE** suppliers on our sustainability goals (i.e. Science Based Targets)

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  - **EXTEND** our Ecodesign programme to suppliers

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- **PROVIDING** suppliers with the ability to make disclosures via an independent third-party service

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  - **REVIEWING** and updating relevant supplier agreements to include specific modern slavery clauses

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  - **TRAINING** our staff on modern slavery risks

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## SUPPLY CHAIN GOVERNANCE

### **Fisher & Paykel Healthcare Board**

The Fisher & Paykel Healthcare Board of Directors is responsible for providing overall governance and oversight of the company's environmental and social responsibility practices, including supply chain and sustainable procurement.



### **Audit and Risk Committee**

The Audit and Risk Committee assists the Board in fulfilling its responsibilities relating to risk management, including reviewing, and monitoring our environmental and social risk management framework and record of performance on these matters, along with any proposed actions based on the record of performance. The Committee is also responsible for reviewing our reporting on sustainability, social responsibility, and environmental activities.



### **Executive Management Team**

The Executive Management Team is answerable to the Audit and Risk Committee and the wider Board for progress on Environmental and Social Responsibility initiatives, and three executives act as sponsors for the Environmental and Social Responsibility Governance Group: Jonti Rhodes – VP Supply Chain, Facilities and Sustainability, Marcus Driller – VP Corporate, and Nicola Talbot – VP Human Resources.



### **Environmental and Social Responsibility Governance Group**

The newly formed Environmental and Social Responsibility Governance group, comprised of stakeholders from across the business (including our international offices), is tasked with overseeing a range of related workstreams and initiatives, including those related to supply chain and sustainable procurement.





**CONSULTATION IN PREPARING THIS STATEMENT**

In the preparation of this consolidated Statement, Fisher & Paykel Healthcare Corporation Limited actively engaged and consulted with Fisher & Paykel Healthcare Limited (NZ), Fisher & Paykel Healthcare Limited (UK) and Fisher & Paykel Healthcare Pty Limited (Australia). We discussed the reporting requirements under the Australian Act and the UK Act, as well as information regarding the steps we intend to take and focus areas for FY23 and FY24.

This joint statement is made in accordance with the Australian Modern Slavery Act 2018 (Cth) and the Modern Slavery Act in the UK.



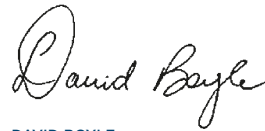
**LEWIS GRADON**  
MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER  
FISHER & PAYKEL HEALTHCARE CORPORATION LIMITED



**NEVILLE MITCHELL**  
AUDIT & RISK COMMITTEE CHAIR  
FISHER & PAYKEL HEALTHCARE CORPORATION LIMITED

**Australia**

This statement has been approved by the Board of Directors of Fisher & Paykel Healthcare Corporation Limited and Fisher & Paykel Healthcare Pty. Limited (Australia) in respect of the Australian Act.



**DAVID BOYLE**  
MANAGING DIRECTOR  
FISHER & PAYKEL HEALTHCARE PTY. LIMITED (AUSTRALIA)

**United Kingdom**

This statement has been approved by the Board of Directors of Fisher & Paykel Healthcare Limited (UK) in respect of the UK Act.



**NICHOLAS CONNOLLY**  
MANAGING DIRECTOR  
FISHER & PAYKEL HEALTHCARE LIMITED (UK)

