

INTRODUCTION

Fresenius Medical Care UK¹ is committed to preventing acts of modern slavery and human trafficking from occurring within both its business and supply chain. This statement is made in compliance with s.54 of the Modern Slavery Act 2015 and sets out the steps taken by Fresenius Medical Care UK¹ during its financial year ending 31 December 2019 to prevent slavery and human trafficking from taking place in any of its supply chains or in any part of its business.

We operate in a highly regulated industry which is subject to a number of complex laws, rules and regulations. We therefore expect the same high standards from our suppliers, and this includes an expectation that they conduct their business in a lawful and ethical manner, which includes adopting business practices that prevent or eliminate modern slavery and human trafficking from taking place within their onward supply chains.

STRUCTURE AND SUPPLY CHAIN

Fresenius Medical Care UK is the leading independent provider of dialysis care in the UK. You can find out more about our organisation and what we do at <http://www.freseniusmedicalcare.co.uk/about-us/>

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. Whilst we purchase fluids (such as acid concentrates and disinfectants) and certain other products and support services (such as the provision of uniforms and cleaning services) from third party suppliers based in the UK, our primary suppliers are affiliated Fresenius entities based in Germany who manufacture our dialysis products.

POLICIES

We do not currently have any specific policies which are directly aimed at combating modern slavery or human trafficking within our business or supply chain. However, we have a number of policies which promote best practice and ethical conduct which demonstrate our commitment to promoting a safe, healthy and productive workplace for our employees and our business partners who assist us in our business operations. These include:

¹ This statement sets out the steps taken by Fresenius Medical Care UK and its group companies which include Fresenius Medical Care Renal Service Limited, Fresenius Medical Care (Holdings) Limited, Fresenius Medical Care Renal Services (UK) Limited and Fresenius Medical Care (UK) Limited, and also includes NxStage Medical UK Limited, each of which fall within the scope of section 54(2) of the Modern Slavery Act 2015.

Code of Conduct

Fresenius Medical Care UK adheres to a Code of Ethics and Business Conduct which applies globally to every officer, director, employee, contract work and agent of the Fresenius Medical Care. You can review this policy at <https://www.freseniusmedicalcare.com/en/about-us/compliance/>

Amongst other things, this Code of Ethics and Business Conduct makes clear to employees the standards of conduct and behaviour expected of them when representing Fresenius Medical Care UK, and requires our employees to report any actual or suspected violation of the law, which would include the Modern Slavery Act 2015. In certain circumstances, for example in large contracts, we may also require our business partners to comply with our Code of Ethics and Business Conduct which helps maintain our high ethical standards throughout the supply chain.

We investigate all alleged breaches of our Code of Ethics and Business Conduct, and have a zero tolerance approach if a breach is established.

Compliance Action Line

We have also implemented a Compliance Action Line which is an anonymous facility for our employees to report actual or suspected misconduct. This is supported by clear non-retaliation policies. This whistleblowing procedure is designed to make it easy for our employees to make disclosures without fear of retaliation, and so we hope this will contribute to identifying and reporting any potential risk of modern slavery and/or human trafficking occurring within our business or supply chain.

Conflict Minerals

Some of our products may contain tantalum, tin, tungsten and gold which have become known as 'conflict minerals' because they may be, in part, sourced from parts of central Africa where armed groups are known to mine and sell these materials to fund civil war. The Fresenius Health Care Group is required to report on its supply chain due diligence in relation to the sourcing of these metals, and you can find out more information about our conflict minerals policy at https://www.freseniusmedicalcare.com/fileadmin/data/com/pdf/About_us/Sustainability/Supply_Chain/CSR_Supply_Chain_Conflict_Minerals_Policy_Statement.pdf

We recognise that conflict minerals can also bring an increased risk of modern slavery and are therefore committed to having a conflict-free supply chain. The Fresenius Health Care Group requires all its suppliers to disclose whether conflict minerals are present in the products they supply, to complete an annual questionnaire in relation to their products, and to carry out appropriate supply chain due diligence in accordance with OECD guidance.

DUE DILIGENCE

Fresenius Medical Care UK does not currently carry out any specific due diligence on its supply chain in order to assess the risk of slavery and human trafficking occurring within our supply chains, however, we do carry out a detailed review of all third parties we work with to assess their suitability generally and to identify any concerns via a Dow Jones search.

We are considering the ways in which our due diligence procedures and procurement processes could be expanded in the future to specifically address modern slavery and human trafficking risk, and compliance with the Modern

Slavery Act 2015. For example, we could extend the third-party review to include questions on modern slavery as part of the diligence questionnaire they are already required to complete

We require suppliers to agree to abide by our Code of Ethics under the tender process and any subsequent contract and this Code contains a section stating that we do not tolerate forced labour or exploitative child labour by our suppliers.

RISK AND COMPLIANCE

As outlined above, we source the majority of our goods and services from affiliated Fresenius entities based in Germany – for example our dialysis machines are manufactured in Schweinfurt, and our dialyzers (artificial kidneys) are manufactured in St Wendel. Component parts for these products and services are also predominantly sourced from other German manufacturers located in the vicinity of these manufacturing sites.

According to the Global Slavery Index, Germany has a very low prevalence of modern slavery, with an estimated 0.02% of the population living in modern slavery.² Likewise, as our main suppliers operate in a regulated industry which requires high standards of compliance and regular audits by regulatory bodies, we do not therefore believe that our supply chain is particularly susceptible to the practices of modern slavery and human trafficking. We do not have a large temporary workforce (which can be more susceptible to exploitation) and by working in a highly skilled and technical sector we therefore consider our vulnerability to modern slavery practices to be low.

Nevertheless, we take compliance with the Modern Slavery Act 2015 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.

TRAINING AND PERFORMANCE INDICATORS

Given our view that Fresenius Medical Care UK's exposure to modern slavery risk is limited we have not implemented any specific training or key performance indicators in relation to modern slavery and human trafficking during the previous financial year. However, all employees have to complete their Code of Ethics and Business Conduct via mandatory e-learning annually, and participation in this training is regularly monitored and reported to the board.

SIGN-OFF

This statement is made in accordance with Section 54(1) of the Modern Slavery Act 2015 and constitutes Fresenius Medical Care UK's slavery and human trafficking statement for the financial year commencing 1 January 2019 and ending 31 December 2019

² <http://www.globalslaveryindex.org/country/germany/>

Signature:



Name: Tim Wheeldon

Title: Managing Director

Date: 27/01/2020

