Addressing the Risk of Modern Slavery

Modern Slavery Statement

SIEMENS Healthineers

1. Introduction

This is a joint report produced by Siemens Healthcare Limited and includes both Epocal Inc., and Varian Medical Systems, Inc. for the financial year ending September 30, 2023 (**the "Reporting Period"**). It sets out the steps taken to prevent and reduce the risk that forced labour or child labour being used at any step of the production of goods in Canada or elsewhere, or of goods imported into Canada by the corporations.

Collectively, Siemens Healthcare Limited and Epocal Inc. will be referred to as 'Siemens Healthineers in Canada'. Siemens Healthineers in Canada and Varian Medical Systems, Inc. will be collectively referenced as "our", "us", or "we". Siemens Healthcare Limited operates under the trade name 'Siemens Healthineers'. Epocal Inc. and Varian Medical Systems, Inc. are both Siemens Healthineers Companies.

The report constitutes the first report prepared pursuant to Canada's new *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act").

Siemens Healthineers in Canada and Varian Medical Systems, Inc. fully support the goals of the Act and are committed to operating free from forced labour, slavery, servitude and/or human trafficking. We have a zero-tolerance approach to forced labour, slavery and human trafficking in any form, in any part of our business or supply chain.

2. Company Structure, Operations and Supply Chain

Our Structure and Operations

Siemens Healthineers in Canada and Varian Medical Systems, Inc. are corporations with no controlled entities and are 100% owned within the Siemens Healthineers AG group of companies. Siemens Healthineers in Canada has been active in Canada for over 100 years and directly employs over 800 staff located in various locations, including sales offices, manufacturing plants, and warehouses. Varian Medical Systems, Inc directly employs over 250 staff. Siemens Healthineers AG is present in 70+ countries worldwide and employs approximately 71,000 people.

At Siemens Healthineers, we pioneer breakthroughs in healthcare. For everyone. Everywhere. Sustainably.

By constantly bringing breakthrough innovations to market, we enable healthcare professionals to deliver high-quality care, leading to the best possible outcome for patients.

Our 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;
- Point of Care Diagnostics; and
- Cancer Therapy

We also provide value added services such as:

- Customer Services (including product related services; remote services; and education and 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 supply chain that supports our operations

The majority of supplier spend for Siemens Healthineers in Canada and Varian Medical Systems, Inc. comprises sourcing from Siemens Healthineers AG and Varian Medical Systems, Inc.'s Global Manufacturing locations– primarily in Germany and the United States.

This is predominantly because most of the equipment that Siemens Healthineers sells is manufactured by other Siemens Healthineers entities globally.

Apart from expenditure from Siemens Healthineers AG and Varian Medical Systems, Inc.'s manufacturing locations Siemens Healthineers in Canada currently does business with approximately 300 product and services suppliers located in 13 countries worldwide. Varian Medical Systems Inc. allocates the remaining spend which is not sourced from a Siemens Healthineers AG/ Varian Medical Systems, Inc. manufacturing location is non-product related from approximately 40 suppliers located in four countries.

In Canada, the main commodities being sourced are medical devices, real estate, travel, externally manufactured reagents, logistics (ground and air), Instruments Original Manufacturing Equipment (OEM-I), plastic parts, and advisory services.

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

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, Mexico, and Luxembourg.

Siemens Healthineers AG's procurement function is managed globally and is responsible for managing the procurement organized by materials fields within commodity management. Canadian-specific aspects and local procurement is handled by Siemens Healthineers in Canada and Varian Medical Systems, Inc. We engage suppliers through various contractual arrangements, such as single transactions or under long term supply frameworks, depending on the nature of purchase

3. Policies, Governance and Due Diligence Processes

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 Rights, International Labour Organization's International Labour Standards, the United Nations Convention against Corruption, and OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

Our Staff

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 ("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, the elimination of child labour, abolition of forced labour, prohibition of discrimination and rights to freedom of association and collective bargaining.

Our Business Partners

We have made responsible business practices a core element of our supplier management processes. All our 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.

The Code of Conduct is based on, among others the Ten Principles of the United Nations Global Compact but also reflects the Siemens Healthineers AG Guidelines. Through the mandatory Code of Conduct, our 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.

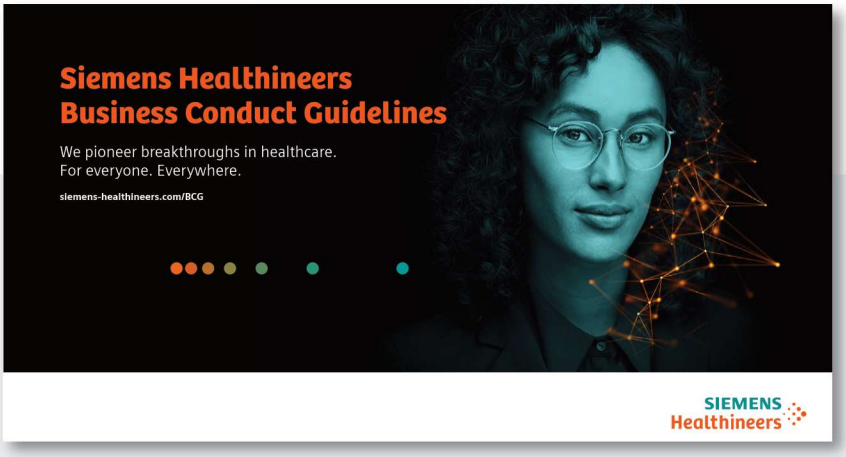


Fig. 1 – Siemens Healthineers Business Conduct Guidelines

In isolated circumstances where a business partner refuses to accept the Code of Conduct (for example, because their organization follows their own separate code), a mandatory escalation process is undertaken to confirm that the business partner has committed to obligations equivalent to the Siemens Group 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, we will refuse to engage further with that business partner.

Varian Medical Systems, Inc. is currently in the process of onboarding to comply with Siemens Healthineers' global regulations and requirements by the end of Financial Year 2024. Currently, 77% of Varian Medical Systems, Inc. suppliers are 'Ready for Business.'

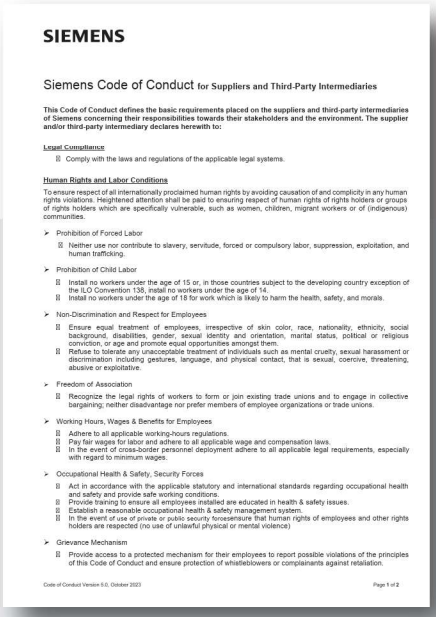
Due Diligence Processes

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 Healthcare Limited is the Canadian importer and sponsor of Siemens Healthineers AG medical devices.

Regulatory and quality system requirements such as Internal Standards Organization's ISO 13485 – Medical Devices, to which Siemens Healthineers AG is certified, 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 in Canada and Varian Medical Systems Inc. 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 third-party suppliers are onboarded following the same process.
- **Supplier Evaluation:** our third-party supplier monitoring is based on a harmonized 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 realization of optimization opportunities.



SIEMENS

Siemens Code of Conduct for Suppliers and Third-Party Intermediaries

This Code of Conduct defines the basic requirements placed on the suppliers and third-party intermediaries of Siemens concerning their responsibilities towards their stakeholders and the environment. The supplier and/or third-party intermediary declares herewith to:

Legal Compliance

- Comply with the laws and regulations of the applicable legal systems.

Human Rights and Labor Conditions

To ensure respect of all internationally proclaimed human rights by avoiding causation of and complicity in any human rights violations. Heightened attention shall be paid to ensuring respect of human rights of rights holders or groups of rights holders which are specifically vulnerable, such as women, children, migrant workers or of (indigenous) communities.

- Prohibition of Forced Labor
  - Neither use nor contribute to slavery, servitude, forced or compulsory labor, suppression, exploitation, and human trafficking.
- Prohibition of Child Labor
  - Install no workers under the age of 15 or, in those countries subject to the developing country exception of the ILO Convention 138, install no workers under the age of 14.
  - Install no workers under the age of 18 for work which is likely to harm the health, safety, and morals.
- Non-Discrimination and Respect for Employees
  - Ensure equal treatment of employees, irrespective of skin color, race, nationality, ethnicity, social background, disabilities, gender, sexual identity and orientation, marital status, political or religious conviction, or age and promote equal opportunities amongst them.
  - Refuse to tolerate any unacceptable treatment of individuals such as mental cruelty, sexual harassment or discrimination including gestures, language, and physical contact, that is sexual, coercive, threatening, abusive or exploitative.
- Freedom of Association
  - Recognize the legal rights of workers to form or join existing trade unions and to engage in collective bargaining; neither disadvantage nor prefer members of employee organizations or trade unions.
- Working Hours, Wages & Benefits for Employees
  - Adhere to all applicable working-hours regulations.
  - Pay fair wages for labor and adhere to all applicable wage and compensation laws.
  - In the event of cross-border personnel deployment adhere to all applicable legal requirements, especially with regard to minimum wages.
- Occupational Health & Safety, Security Forces
  - Act in accordance with the applicable statutory and international standards regarding occupational health and safety and provide safe working conditions.
  - Provide training to ensure all employees installed are educated in health & safety issues.
  - Establish a reasonable occupational health & safety management system.
  - In the event of use of private or public security forcesensure that human rights of employees and other rights holders are respected (no use of unlawful physical or mental violence)
- Grievance Mechanism
  - Provide access to a protected mechanism for their employees to report possible violations of the principles of this Code of Conduct and ensure protection of whistleblowers or complainants against retaliation.

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Fig. 2 – Siemens Group Code of Conduct for Suppliers and Third Party Intermediaries

4. Assessment and Mitigation of Modern Slavery Risk

Siemens Healthineers globally has a substantial and complex supply chain. With such a large and geographically dispersed supplier network, Siemens Healthineers ensures a higher priority is given to those Suppliers deemed as high risk and has implemented a system of interconnected processes and tools to stay on top of this complexity under the governance of our Global Supply Chain Management ("SCM") function. Transparency and awareness of supply chain risks is ensured via a three-step process:

i. Definition of sustainability risks and categories,

ii. Identification of the relevant suppliers,

iii. Development and implementation of necessary procurement processes to cover these risks.

We support all our suppliers through our "Sustainability in the Supply Chain" and "Code of Conduct for Siemens Suppliers and Third-Party Intermediaries" brochures. The basis of all our supplier relations is the commitment of our suppliers to observe the principles of the Code of Conduct. We also explicitly encourage them to extend these values further into their own supply chain to create a network of interactions and business relations that are built on trust. Suppliers commit to the Code of Conduct by signing the relevant Corporation Responsibility contract clause as part of the onboarding and qualification process, or via the purchase order process and for all new and extended procurement contracts.

To ensure Siemens Healthineers in Canada and Varian Medical Systems, Inc minimizes the risk of modern slavery and the potential exposure to geopolitical risks including human rights, we utilize a risk-based methodology, including global scores based on the most recent Organization for Economic Cooperation and Development (OECD) and Transparency International/Corruption Perception Index (TI/CP).

5. Grievances and Remediation Processes

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

Siemens Healthineers in Canada and Varian Medical Systems, Inc:
- Will examine all reports, investigate the relevant facts, and take appropriate measures.
- Do not tolerate any retaliation against complainants or whistle-blowers.
- Maintain 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's global 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 or by phone. Reports can be made anonymously if desired, and in several different languages.

6. Training

To ensure that compliance and integrity are deeply anchored in the organization, our employees receive regular, targeted, risk-based training on compliance topics and our polices.

All new employees are assigned a mandatory onboarding training package that includes the 'Business Conduct Guidelines' and 'Canada Compliance Manual', which must be completed within three months of hire. Our Business Conduct Guidelines specifically include references to the elimination of child labour and the abolition of forced labour. The Canada Compliance Manual is based on the principles of the Business Conduct Guidelines, and all employees received training on the Canada Compliance Manual during financial year 2023.

Siemens Healthineers has an online training module entitled 'Supplier Qualification: Ready for Business'. This training is mandatory for all employees with purchasing responsibility and highlights the importance of the Siemens Code of Conduct for Siemens Suppliers and Third-Party Intermediaries. Additionally, targeted employees also complete the 'Directive 84 – Principles of Correct Purchasing', which includes ensuring supply chain compliance and sustainability.

All our training modules are reviewed regularly and updated when necessary. Training is rolled out to all employees when documents are updated.

7. Assessing Effectiveness

Our Compliance System – Management Responsibility is in the Focus

Siemens Healthineers AG continuously develops our compliance system to adapt it to changing requirements according to our business. Detection Modules (as explained below) monitor adherence with the requirements and principles of the Code of Conduct. Siemens Healthineers in Canada and Varian Medical Systems, Inc are required to comply with the 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 business partner and/or supplier.

Internal - The internal approach is based primarily on our supplier qualification process and on supplier audits. 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 Organization databases, media reports or whistle-blower information channeled through an independent Ombudsperson confidential reporting hotline. A report of a suspected case of any breach against the requirements of the Code of Conduct is kept confidential and put through a clearing process to determine the next steps e.g., an Incident Driven Inspection. Our whistle-blower hotline can also be accessed by employees and management as well as customers, suppliers, and other stakeholders.

The following risk-based Detection Modules exist within Siemens Healthineers AG which are also applied by Siemens Healthineers in Canada and Varian Medical Systems, Inc:

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 on suppliers based in high-risk countries.
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 recognized 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 in Canada and Varian Medical Systems, Inc have the right to terminate the relationship.

8. Approval and Attestation

This Statement has been approved by the Board of Directors of Siemens Healthcare Limited, Epocal Inc., and Varian Medical Systems, Inc.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Per: _____

Name: Sevket On

Title: Managing Director, Canada

Date: May 23, 2024

I have the authority to bind Siemens Healthcare Limited

Per: _____

Name: Pamela Vassao

Title: Chief Financial Officer

Date: May 23, 2024

I have the authority to bind Siemens Healthcare Limited

Per: _____

Name: Mark Fritz

Title: Head, Ottawa Site Operations

Date: May 23, 2024

I have the authority to bind Epocal Inc.

Per: _____

Name: Jens Merkel

Title: Chief Financial Officer

Date: May 23, 2024

I have the authority to bind Epocal Inc.

Per: _____

Name: Matthias Platsch

Title: Chief Financial Officer

Date: May 23, 2024

I have the authority to bind Varian Medical Systems, Inc.

Per: _____

Name: Julie Wong

Title: VP, General Counsel

Date: May 23, 2024

I have the authority to bind Varian Medical Systems, Inc.