



Report on Environment, Social & Corporate Governance (ESG) topics

We pioneer innovative solutions that treat and keep people out of the hospital, empowering them to live healthier, higher-quality lives. By enabling better care, we improve quality of life, reduce the impact of chronic disease, and lower costs for consumers and healthcare systems in more than 140 countries.

Report scope and reference

This Sustainability Report focuses on economic, environmental, and social governance (ESG) issues that encompass our global operations, including those of our international subsidiaries. Our approach is to include standards where applicable to the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines.

Any gaps in the data are noted in the relevant section.

The report focuses on the last financial year ended 30 June 2022. This report also provides background to topics relevant to these periods.

This report should be read alongside documents filed with the U.S. Securities and Exchange Commission, in particular our [2022 Form 10-K annual report](#) and our [2022 Form DEF 14A proxy statement](#) for shareholders. These filed documents take precedence over this ESG report in the event of any unintended inconsistency.

All references to dollars are U.S. dollars unless otherwise noted. References in this [font style](#) are hyperlinked to their source or page reference.

The preparation of the report has been informed by the reporting guidelines of the GRI Reporting Framework and SASB Conceptual Framework as well as results of the ESG materiality assessment completed by EY during 2022. APPENDIX at the end of the document matches the information in the report with the relevant GRI and SASB indicators.

While this report has been prepared with due care, it has not been externally assured.

Further information can be obtained by contacting Justin Italiano at ResMed Inc., Sydney, at +61 2 8884 1000, or by visiting the company's multilingual website at www.resmed.com.

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A message from our CEO

covering the period from July 1, 2021 to June 30, 2022

At ResMed, our commitment to continuous improvement in all that we do means we are obsessed with always doing things better and ensuring a foundation of ethics, quality, sustainability, and excellence. That pursuit of excellence applies to our approach to social, governance, and environmental results, just as it does to our product development, quality, regulatory, compliance, cybersecurity, and all of our commercial operations.

I am proud that despite the “perfect storm” of challenges in 2022 – a land war in Eastern Europe, supply chain disruptions, an ongoing pandemic turning into an endemic, and an industry-specific imbalance between supply and demand caused by a competitor’s recall – we continued to make significant strides in our approach to sustainability, including our ESG work, producing a positive impact in our industry.

We have evolved to a hybrid global working model that we call “Flexible@ResMed,” as our teams providing products and services across 140+ countries combine virtual and in-person working models. We have many thousands of ResMedians in our manufacturing, distribution, and tech support teams who’ve showed up in person throughout the pandemic to perform lifesaving work – we call them our ResMed Heroes. We’re increasing in-person teamwork every day and spending more time side by side with our teams, as well as our customers, including physicians, providers, payers, communities, and the ultimate customer, patients. We’re also strengthening our “One ResMed” culture by celebrating belonging, inclusion, and diversity for success (we call this culture work “BIDS”) to create a ResMed where every person matters, belongs, and can do their best work, leveraging their talents.

We have made meaningful strides over the past several years to bring sustainability to life at ResMed. We have evolved expectations of ourselves and our partners in our approach to ESG and other elements of corporate citizenship. To support and inform our efforts, we conducted a materiality assessment and have identified key priorities for our business, employees, and other stakeholders. As we continue to progress along our sustainability journey, we have created an enterprise sustainability leadership role in 2023 to work across all of our teams to develop a formalized ESG strategy through an integrated, impact-focused approach. We look forward to working with critical stakeholders to become the industry leader in areas where we have capability and passion – diversity and inclusion, patient centricity, health access and affordability, product and supply chain sustainability, and beyond.

I hope you will read our entire sustainability report, but I want to highlight a few key areas here: our impact on a healthier world; a healthier environment; and our belonging, inclusion, and diversity for success work.

A healthier world

Our core purpose at ResMed is to inspire and energize the world through the power of better health. We help hundreds of millions of people sleep better, breathe better, and live longer, happier, and higher-quality lives well away from a hospital. Everything we do at ResMed – the medical devices we design and build; the software solutions we provide; the culture we enable and scale; and the business ethics, integrity, and environmental stewardship with which we conduct business – is focused on the goal to help improve the lives of people in over 140 countries. The needs of people in chronic disease and respiratory medicine are incredible; we aim to serve:

- Over 936 million people living with sleep apnea;
- Over 800 million people living with insomnia;
- Over 480 million people living with COPD;
- Over 330 million people living with asthma; and
- Countless more who rely on various out-of-hospital care services, medical and otherwise, to live their healthiest and happiest life, preferably in the comfort of their own home.

Our current impact is substantial. For the 12 months through June 2022, we changed over 140 million lives with our digital products and software solutions. We believe that the most important impact we can have on the world is on the social aspect, the “S” in ESG: our work improves health for millions of individuals worldwide, reduces the societal cost of providing healthcare by lowering costs and improving healthcare efficiency, and improves access to care by providing scalable digital systems that can be applied in markets around the world, including in high-population, fast-growing markets with less developed healthcare infrastructure. We’re growing our impact on the people we help every year by double digits, tracking well towards our goal of improving 250 million lives in 2025. We won’t stop when we reach it, given the need for all of the chronic diseases we can treat is more than 2 billion people!

A healthier environment

While improving sleep and respiratory care, as well as overall care delivery for millions of people, it’s also important for ResMed to have a sustainable approach to the beautiful and unique planet that we live and breathe on. I’m proud of ResMed’s efforts this past year to significantly reduce packaging, to drive lower transportation energy costs for our latest generation device platform, to increase the recyclability of both our device components and packaging, and to improve energy efficiency and reduce water consumption as we continue to grow our impact on healthcare through our lifesaving products.

One leading example: We’re using 39% less cardboard material to package our new AirSense 11 devices compared to the AirSense 10 platform. This generational upgrade allows us to fit 67% more AirSense 11 devices on each pallet we ship. The net result from this design improvement is that hundreds of metric tonnes in packaging will be saved each year and fewer shipping containers will be sent around the world and back – all while delivering the gift of breath to millions more people.

ResMed is also committed to reducing our greenhouse gas emissions. We have aligned our reporting of these emissions to the Carbon Disclosure Project (CDP), considered the gold standard program for climate reporting. We have also committed to aligning our emissions targets with those of the Science-Based Targets Initiative (SBTI).

Belonging, Inclusion, and Diversity for Success (BIDS) at ResMed

We are committed to building and fostering an extraordinary culture of belonging, inclusion, and diversity in which every ResMedian can be successful, bringing their true selves and all their talents to the forefront to ultimately do their best work for their teams, our company, and our customers. During 2022, ResMedians strengthened our “One ResMed” culture by:

- Increasing employee resource groups (ERGs/Mosaics) from 10 to 14, enabling different communities globally, across the organization, to raise awareness about our varying cultures, traditions, campaigns, and societal challenges through networking, professional development, mentorship, and panel discussions.
- Championing inclusive language changes in every corner of our organization, from marketing to software development, replacing long used yet inherently biased workplace terms so our colleagues feel invited into conversations and valued.

- Increasing awareness and implementation of accessibility and inclusive design in our products, services, and other technology based on feedback and insights from diverse communities.
- Attracting thousands more resumes from women in tech, women in sales, veterans, LGBTQIA+ members, people of more diverse backgrounds including Hispanic, Black, and Asian heritage, and ensuring an environment that is more open to people with disabilities. We are being more intentional in promoting our brand and job openings to build a workforce that represents all the communities that we serve.

Likewise, ResMed's board of directors expanded its diversity, including diversity of thought, as well as objective measures such as gender and ethnic diversity over the past fiscal year. Our board includes industry leaders across medtech, digital health, life sciences, consumer products, health insurance, consumer tech, clinical research, finance, and other disciplines critical to ResMed's strategic growth: incredible diversity of thought! Our independent board of 8 people includes 3 women, 3 members from ethnic minority communities, and people who have lived and worked in Asia, Europe, and the Americas. Our most-recently elected board directors, Desney Tan and John Hernandez, are both digital health leaders at Microsoft and Google, respectively. We believe that the diversity of thought, background, and experience is a key part of what makes our board – and our entire organization – innovative, market-leading, and built for long-term, sustainable growth.

In April 2022, I proudly committed ResMed to benchmarking and improving its disability inclusion journey with the Disability Equality Index along with 100+ other CEOs of market-leading companies. I believe “what gets measured gets done,” and I’m excited to watch ResMed not only accelerate our inclusion and accessibility efforts but also measure them against industry standards to ensure that we’re delivering value for our entire global team. Watch this space for more and more metrics!

There is no finish line to this marathon of improving our culture and our work in BIDS is a key part of that. ResMed will always strive to create a more inclusive environment so that every ResMedian feels like they belong, because they truly do. I’m proud of ResMedians’ ongoing global effort to launch these initiatives and create “One ResMed” that is diverse, proud, stronger together, and that truly represents the many tens of millions of patients, providers, and caregivers we serve, day and night.

We passed a population of 10,000 ResMedians at the end of 2022. I thank you all for coming together to pursue our life-changing and in many cases lifesaving mission to help hundreds of millions of people sleep better, breathe better, and live higher-quality lives at home. Thank you to all of our stakeholders for your ongoing support, and for taking the time to read this sustainability report that highlights all the ways we’re serving patients, providers, caregivers, ResMedians, our communities, and the world we live in.

Yours sincerely,

Michael “Mick” Farrell
CEO, ResMed




Key ESG indicators

Table 1 captures our significant data. We present more detailed data on the indicated pages for our primary manufacturing and distribution sites over the three years.

Table 1: Key ESG performance indicators

Economic performance	June 30, 2022	June 30, 2021	June 30, 2020
Economic value generated and distributed (US\$'000): ¹			
Revenue	3,578,127	3,196,825	2,957,013
Cost of goods sold ²	1,514,166	1,312,598	1,189,624
Employee costs ³	867,035	775,343	721,234
Interest paid to lenders	22,312	23,989	40,377
Taxes paid to governments ⁴	181,046	409,157	111,414
Donations to research foundation	830	800	986
Donations to other community purposes	665	922	912
Investment in research and development	253,575	225,284	201,946
Environmental performance			
Total energy use (GJ)	207,104	166,618	153,668
Energy intensity (GJ/\$m rev.)	57.9	52.1	52.0
Total scope I and II greenhouse gas emissions (tCO ₂ e)	25,059	23,028	22,171
Significant NO, SO, and other air emissions	0	0	0
Total water withdrawal (kL) ⁵	106,898	83,199	83,924
Percentage of waste recycled by weight ⁶	58%	53%	66%
Paper use (sheets per person per year)	1,116	635	851
Monetary value of environmental fines and sanctions	\$0	\$0	\$0
Social performance			
Annual voluntary employee turnover	13.9%	10.7%	8.55%
Fatalities	0	0	0
Lost time injury rate (injuries per million employee hours)	1.74	1.91	2.66
Percentage senior (VP or above) executives, female	32%	29%	30%
Material breaches of marketing and labeling regulations	0	0	0
Monetary value of fines and sanctions for production of market-related non-compliance	\$0	\$0	\$0
Monetary losses as a result of legal proceedings associated with bribery or corruption	\$0	\$0	\$0

1 Detailed financial accounts are disclosed in our [2022 Annual Report on form 10-K](#)

2 Includes all payments to third parties for materials and services used in production

3 Excludes stock-based compensation costs

4 Includes major income tax measures

5 Excludes Switzerland, UK, Brazil, Media, Wisconsin, and Missouri

6 2022 data is Global excluding Moreno Valley. 2021 and 2022 data is Global excluding Switzerland



RESMED IN BRIEF

Founded in 1989, and headquartered in San Diego, California, USA, ResMed pioneers innovative solutions that treat and keep people out of the hospital, empowering them to live healthier, higher-quality lives. Our cloud-connected medical devices transform care for people with sleep apnea, COPD, and other chronic diseases. Our comprehensive out-of-hospital software platforms support the professionals and caregivers who help people stay healthy in the home or care setting of their choice. By enabling better care, we improve quality of life, reduce the impact of chronic disease, and lower costs for consumers and healthcare systems in more than 140 countries.

Locations and business

Our principal global operations and functional support team locations are summarized below. Our primary sites in San Diego and Sydney are owned while all other sites are leased.

Table 2: ResMed site locations

Regions	Primary locations	Regular, fixed-term, and contingent employees ⁷	Roles
Americas	USA: California, Georgia, Kansas, Minnesota, Pennsylvania, Wisconsin Canada: Nova Scotia	3,132	Administration, manufacturing, sales and marketing, quality, distribution, customer service, product development, software development
Asia Pacific	Australia, China, India, Japan, Malaysia, New Zealand, Singapore, South Korea	3,704	Administration, manufacturing, sales and marketing, quality, distribution, customer service, product development, IT shared services
Europe	Finland, France, Germany, Ireland, Norway, Netherlands, Spain, Sweden, Switzerland, United Kingdom	1,456	Administration, distribution, customer service, sales and marketing, quality

⁷ Employee headcount data pro-rated based on FTE %.



Administration, product development, and distribution

ResMed's corporate headquarters is at its 230,000-square-foot facility in San Diego, California, USA. Further corporate hubs are at Bella Vista (Sydney), NSW, Australia; Atlanta, Georgia, USA; and Munich-Martinsried, Germany.

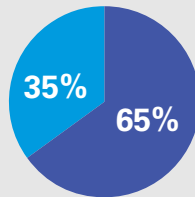
Our principal research and development center is in Sydney, with further research conducted at Chatsworth, California, USA; Dublin, Ireland; Halifax, Nova Scotia, Canada; Munich-Martinsried, Germany; and Singapore.

Distribution centers are located in Atlanta, Georgia, USA; Moreno Valley, California, USA; Oostrum, Netherlands; Harwell, UK; Basel, Switzerland; Lyon, France; and Bremen, Germany. Our German home healthcare services are managed from Martinsried and Gremdsdorf.

Manufacturing operations

Our principal manufacturing operations occupy a 155,000-square-foot facility at our Sydney site and a 270,000-square-foot facility in Singapore. Other manufacturing is currently undertaken at our 174,000-square-foot assembly and distribution facility in Atlanta, Georgia, USA, as well as another manufacturing site in Suzhou, China. Further manufacturing is conducted at Lyon, France; Chatsworth, California, USA; and Johor Bahru, Malaysia.

RESMED SELLS ITS
PRODUCTS IN MORE
THAN 140 COUNTRIES



United States, Canada, and Latin America represent approximately 65% of net revenues

Europe and Asia-Pacific represent approximately 35% of net revenues

Sales and marketing

We currently market our products in more than 140 countries, using a network of distributors and our direct sales force. We attempt to tailor our marketing approach to each national market, based on regional awareness of sleep apnea as a health problem, physician referral patterns, consumer preferences, and local reimbursement policies.

- United States, Canada, and Latin America represent approximately 65% of net revenues. Our products are typically purchased by a home healthcare dealer who then sells our products to the patient. The decision to purchase our products, as opposed to those of our competitors, is made or influenced by one or more of the following individuals or organizations: the prescribing physician and their staff; the home healthcare dealer; the insurer; and the patient. In the United States, Canada, and Latin America, our sales and marketing activities are conducted through a field sales organization made up of regional territory representatives, program development specialists, and regional sales directors. Our field sales organization markets and sells products to home healthcare dealer branch locations throughout the United States, Canada, and Latin America.

We also market our products directly to physicians and sleep clinics. Patients who are diagnosed with obstructive sleep apnea (OSA) or another respiratory condition and prescribed our products are typically referred by the diagnosing physician or sleep clinic to a home healthcare dealer to fill the prescription. The home healthcare dealer, in consultation with the referring physician, will assist

the patient in selecting the equipment, fit the patient with the appropriate mask, and set the device pressure to the prescribed level.

- Europe, Asia, and other markets represent approximately 35% of net revenues. We market our products in most major countries in Europe, Asia, and other markets. We have wholly owned subsidiaries in Australia, Austria, China, Czech Republic, Denmark, Finland, France, Germany, India, Ireland, Japan, Netherlands, New Zealand, Norway, Poland, South Korea, Sweden, Switzerland, Taiwan, Thailand, and the United Kingdom. We use a combination of our direct sales force and independent distributors to sell our products in Europe, Asia, and other markets. We select independent distributors in some countries based on their knowledge of respiratory medicine and a commitment to sleep apnea therapy. In countries where we sell our products direct, a local senior manager is responsible for direct national sales. In many countries, we sell our products to home healthcare dealers or hospitals who then sell the products to the patients. In Germany, Australia, New Zealand, and South Korea, we also operate home healthcare business models, in which we provide products and services directly to patients.

As of the end of fiscal year 2022, we only sold our SaaS products in the United States; moving forward, we will have SaaS revenue in Germany as a result of ResMed's acquisition of MEDIFOX DAN.

Relevant awards

We have received the following recent awards relevant to our ESG performances:

Table 3: ResMed awards, FY2019–FY2022

Year	Award	Recipient	Awarded by
FY2022	#1 Health Technology CEO of FY2022	Mick Farrell, ResMed	Healthcare Technology Report
FY2022	Top 100 Healthcare Technology Companies of 2021	ResMed	Healthcare Technology Report
FY2022	One of the Top 500 Most Responsible U.S. Companies	ResMed	Newsweek, Statista
FY2022	"Management Top 250"	ResMed	The Wall Street Journal
FY2022	Best Remote Monitoring Solution (Propeller)	Propeller Health	Juniper Research
FY2022	Best MedTech CEO	Matt Mellott, Brightree	MedTech Breakthrough
FY2022	Best in KLAS: Software & Services (Home Health and Hospice EHR)	MatrixCare	KLAS Research
FY2022	Best in KLAS: Software & Services (Palliative Care EHR)	MatrixCare	KLAS Research
FY2022	Top 50 Black Leaders of Influence	Dwayne Wheatley, ResMed	San Diego Business Journal
FY2022	Women of Influence Life Sciences	Denise Hartsell, ResMed	San Diego Business Journal
FY2022	Medical Device Industry	ResMed Asia with APCO Worldwide	SABRE Awards

Table 3: ResMed awards FY2019–FY2022 (continued)

Year	Award	Recipient	Awarded for
FY2022	"JUST 100" Top 25 Corporate Citizen in Healthcare & Equipment Services	ResMed	Forbes, JUST Capital
FY2022	CES Innovation Award: Health & Wellness (AirSense 11 PAP)	ResMed	CES (Consumer Electronics Show)
FY2022	Strategy 300: The World's Leading IP Strategists	Michael Pinczuk, ResMed	IAM
FY2021	One of the top 500 Most Responsible U.S. Companies	ResMed	Newsweek, Statista
FY2021	Western Sydney Exporter Award for 2021 Premier's NSW Export Awards	ResMed	Newsweek, Statista
FY2021	Role Model Leadership in Transformation	Katrin Pucknat, ResMed Germany	Impact of Diversity Organization
FY2021	Top 75 Graduate Employers	ResMed	The Australian Association of Graduate Employers
FY2021	Best in KLAS: Software & Services (Home Health and Hospice EHR)	MatrixCare/ Brightree	KLAS Research
FY2021	Top Companies 2021: The 25 best workplaces to grow your career in Australia	ResMed	LinkedIn Australia
FY2021	Top 100 Women in Communications	Amy Wakeham, ResMed	Ragan
FY2021	Top 100 Information Security Professionals	Todd Friedman, ResMed	OnCon Icon Award
FY2021	Canada's Top 100 Employers	ResMed Halifax ULC	Atlantic Canada's Top Employers
FY2021	2021 Nonprofit and Corporate Citizenship Awards	ResMed	San Diego Business Journal
FY2021	MedTech Breakthrough	Brightree (Patient Collections)	Best New Technology Solution for Healthcare Payment
FY2021	"Management Top 250"	ResMed	The Wall Street Journal
FY2021	2020 Change Leader of the Year	Pernilla Medson, ResMed Sweden	Boyden
FY2021	2020 HME Business New Product Award	Brightree	Brightree Mobile
FY2021	2020 Emerging Board Leader	Mick Farrell, ResMed	San Diego Corporate Director's Forum
FY2021	SD500 – 500 of San Diego's Most Influential People	Mick Farrell and Rob Douglas, ResMed	San Diego Business Journal
FY2021	New Product Award for Best Business Technology – Specialized Solutions	Brightree	HME Business

Table 3: ResMed awards FY2019–FY2022 (continued)

Year	Award	Recipient	Awarded for
FY2021	San Diego Large Public Company CEO of the Year	Mick Farrell, ResMed	San Diego Business Journal
FY2021	Product Design Category (AirFit N30, F30i CPAP masks)	ResMed	Good Design Awards Australia
FY2020	Canada's Top 100 Employers	ResMed	Atlantic Canada's Top Employers
FY2020	"San Diego 50" Leader of Change and Impact	Mick Farrell, ResMed	San Diego Business Journal
FY2020	Dealmaker of the Year	ResMed	Medtech Insight
FY2020	Top Workplace	Propeller	Wisconsin State Journal
FY2020	New Product Awards: Best Complete HME Management Solution	Brightree	HME Business
FY2020	New Product Awards: Best Specialized Solution (Brightree Patient Hub App)	Brightree	HME Business
FY2019	"JUST 100" #1 Corporate Citizen in Healthcare & Equipment Services	ResMed	Forbes, JUST Capital
FY2019	Atlantic Canada's Top Employers	ResMed	Canada's Top 100 Employers
FY2019	Australia's Top 100 Graduate Employers	ResMed	Grad Australia
FY2019	AAGE Top 75 Graduate Employers	ResMed	Australian Association of Graduate Employers
FY2019	Best in KLAS (Long-Term Care Software)	MatrixCare	KLAS Research
FY2019	Best Overall Health Administration Software	Brightree	MedTech Breakthrough Award
FY2019	Intelligent Health Association Award	Propeller	Dignity Health: improving patient care and health delivery
FY2019	Best Overall Medical Device Product	ResMed	MedTech Breakthrough Award for AirMini
FY2019	Product Design Category (AirFit N30i, F30i CPAP masks)	ResMed	Good Design Awards Australia
FY2019	San Diego Large Company Leadership	Mick Farrell, ResMed	San Diego Union-Tribune
FY2019	San Diego's Top Workplace	ResMed	San Diego Union-Tribune

RELEVANT AWARDS

"JUST 100" Top 25 Corporate Citizen in Healthcare & Equipment Services (2022)

One of Newsweek's Top 500 Most Responsible U.S. Companies (2022)

#1 Health Technology CEO (2022)

Top Companies 2021: The 25 best workplaces to grow your career in Australia





ENVIRONMENT

We operate our business efficiently and responsibly while always striving to reduce our environmental footprint throughout our business operations and supply chain. We are committed to working with our employees, suppliers, and customers to eliminate unnecessary waste in all our systems and processes, minimize pollution, decarbonize our operations, design and develop innovative products with reduced impact on the environment throughout their lifecycle, monitor our environmental performance, continually make improvements, and fulfill our compliance obligations.

Our approach

ResMed has a mission to help people sleep better, breathe better, and live healthier, higher-quality lives outside the hospital. Our goal is to improve 250 million lives in out-of-hospital healthcare in 2025. While we pursue our ambitious business goal, we recognize that our activities can impact that environment in which we operate.

The environmental challenges the world faces today are significant; environmental sustainability, emissions reduction, and the environmental performance of our products are growing concerns among our customers, investors, and our own people.

Our approach to the environment is to operate our business efficiently and responsibly while always striving to reduce our environmental footprint throughout our business operations and supply chain. We are committed to working with our employees, suppliers and customers to eliminate unnecessary waste in all our systems and processes, minimize pollution and waste, decarbonize our operations, design and develop innovative products with reduced impact on the environment throughout their lifecycle, monitor our environmental performance, continually make improvements, and fulfill our compliance obligations.

We insist on and achieve strong compliance with environmental regulations, with no material breaches, and have seen improvements in material efficiency and recycling in both production and administrative areas. We have invested in environmental stewardship at our sites and are committed to extending that stewardship to our product design and packaging with a dedicated Product Sustainability Team and the launch in November 2021 of our Product Sustainability Strategy.



REGULATORY COMPLIANCE IS SET BY NATIONAL, STATE, AND LOCAL LAW, ISO 14001, OCCUPATIONAL HEALTH AND SAFETY, AND OTHER REGULATIONS THAT RELATE TO OUR ENVIRONMENTAL PRACTICE AND THE CONDITIONS OF CONSENT TO THE DEVELOPMENT OF OUR PREMISES.

Case study: ResMed's environmental management system (EMS)

At our major Research & Development and manufacturing facility in Sydney, we have a comprehensive environmental management system (EMS) with ISO 14001:2015 certification that is externally audited every year by TÜV SÜD. An onsite recertification audit was conducted in May 2022. As part of the EMS, our senior management team reviews our environmental performance annually, including audit and compliance results, non-conformance and corrective actions, communications and complaints, and available metrics on environmental performance.

Our Sydney site's EMS was established in 2010 to systematically improve our environmental performance and related costs, and to ensure compliance with applicable local and international environmental legislation affecting our operations. Its scope considers impacts on the environment throughout the lifecycle of our products and services. That environmental policy and ISO 14001 certification are publicly available on our [website](#) and on request.

The EMS is closely aligned with our quality assurance and health and safety systems, with the continual expectation of improved performance in all three areas. Although we have internal advisory roles focused on each area, line managers are accountable for their areas of operational responsibility. Our environmental and communications teams work together to support the behaviors and culture needed to sustain continuous improvement in environmental performance.

Other sites rely on our quality management, pollution control, and waste management systems to ensure compliance with relevant environmental regulations. For instance, in our Singapore and Malaysia production facilities, the production processes replicate those developed in our Sydney facility for similar manufactured products. Our distribution, commercial, and other production facilities do not currently work to a comprehensive environmental management system and have not to date pursued ISO 14001 accreditation. Instead, they rely on our quality assurance systems and work with our waste management providers to ensure compliance with relevant environmental and supplier regulations.

We are confident that our quality management system, pursuit of sustainable product design, lean manufacturing, and continuous improvement practices, are all delivering environmental improvements in ways that are both effective and integrated with our core business.

We have received no regulatory notices on material environmental issues in the past three financial years (2020-2022). In addition, we rely on third-party monitoring tools to identify specific risk indicators and monitor areas of concerns.

While we are proud of our sound environmental record and have made pleasing progress to date, we know there is still much more to be done to meet our customers' and other stakeholders' aspirations - and our own.

Group energy use and emissions

Our global operations, including our factories, offices, distribution centers and fleet vehicles require a lot of energy to operate. Grid sourced electricity and natural gas are primarily used in our facilities by heating, ventilation, and air conditioning systems, production, laboratory and test equipment, and lighting. As we pursue our business goals, we will develop our roadmap toward the decarbonization of our operations. We will continue to improve our sources of measurement and data capture, develop our metrics and analyse our risks and opportunities. We will continue to focus on energy efficiency initiatives across our facilities and on implementing digitalization programs to help optimize our assets throughout their lifecycle, saving money and energy, and increasing resilience and sustainability.

While our focus is on energy efficiency, we will also review opportunities to increase sourcing and use of renewable electricity to reduce our Scope 2 emissions. Our San Diego headquarters and Sydney site have installed solar photovoltaic systems, bringing total production of 200 MWh each year.

We present trend data on energy and emissions data for 2021-2022 only for the locations for which we have it. While our figures represent our best understanding of energy and material flows for the most recent year, these figures may be revised as our data capture systems are improved and standardized internationally.

Environmental performance

The upward trend of our total global energy use in 2022 is attributed to improvements in data capture and reporting, including the addition of eight new sites - some with natural gas usage - and the inclusion of fuel consumption data from U.S. and European car fleets. These reporting improvements highlight where opportunities lie to reduce stationary and mobile source Scope 1 emissions in our operations as we continue to deepen our understanding of our global carbon footprint and develop our general strategies around decarbonization and emissions reduction.

Associated with the addition of new reporting sites and the inclusion of our U.S. aircraft fuel and European car fleet fuel consumption, our gross energy intensity (total consumption/revenue in millions) that measures the relationship of ResMed energy consumption and revenue growth increased in 2022 from 52.1 gigajoules per million U.S. dollars (GJ/\$M Rev) to 57.9 GJ/\$M Rev, as shown in Table 11 below. These figures represent the gas and electricity consumed at our premises globally as well as our European and U.S. car fleet fuel consumption, and do not include energy used in our supply chain, transportation, greenhouse gas emissions related to either.

Table 11: Global trend energy data

	Electricity consumption (MWh)	Scope 1 energy consumption (GJ)	Total energy consumption (GJ)	Energy intensity (GJ/\$M Rev)
2022	40,380	61,737	207,104	57.9
2021	42,175	14,787	166,618	52.1
2020	37,632	18,193	153,668	52.0

8 additional offices/facilities have been included in 2022's data. Scope 1 emissions now includes all four categories: Stationary Combustion, Mobile Combustion, Fugitive Emissions, and Process Emissions.

***Natural gas consumption only**

Energy efficiency

We're focused on using less energy across our operations, beginning with how we design, operate and maintain our facilities. In our new 270,000-square-foot Advanced Manufacturing Centre in Tuas, Singapore, extensive consideration was given to the design and fit-out of the building to provide energy efficient operation of lighting, HVAC systems, and other building plant. Extensive investment in building management system (BMS) controls and electrical metering systems were installed to provide facilities and engineering teams with data to optimize plant and operations over the lifecycle of the building.

Across our larger sites, energy efficient equipment upgrades and preventative maintenance programs aim to ensure plant and other equipment are running optimally to reduce unnecessary waste. Our Malaysian site introduced an inverter-type air compressor, saving energy and reducing approximately 70 tonnes of emissions. Our U.S. distribution centers Atlanta, Georgia and Moreno Valley, California improved their energy efficiency with the installation of new motion sensors combined with LED lamps in warehouse areas.

Managing our electricity consumption

In 2022, our global electricity consumption fell from 42,715 megawatt hours (MWh) to 40,380 MWh, despite the inclusion of new sites for reporting (see Table 11 above). This is primarily attributed to ongoing energy conservation and efficiency measures that have led to an overall energy efficiency improvement. Investments over years in plant and equipment upgrades, solar photovoltaic cells, enhanced mechanical systems controls, and lighting retrofits (see case study below) continue to deliver operational efficiencies.

Case study: Sydney LED lighting retrofit project

In 2022, a major retrofit project to reduce site electricity consumption and costs was undertaken at our Sydney manufacturing site. 923 fluorescent fittings were replaced with high efficiency LED panels. The challenging project included replacing all recessed and surface mounted fittings across our LSR production and offices, main assembly area and NPI production areas. The project will save approximately 371 MWh per year (about 3% of the Sydney site's total electricity consumption). Additional benefits include a longer lifespan resulting in less maintenance and improved consistency of lighting level in the area, supporting quality requirements in production.



923

FLUORESCENT FITTINGS WERE REPLACED WITH HIGH- EFFICIENCY LED PANELS

Meantime, the movement of many IT systems to cloud solutions over the years has reduced energy consumption in onsite data centers through less equipment and lower heat loads that require cooling.

Flexible working options for administrative and knowledge workers also significantly contributed to the global reduction in site energy use as low and varied site occupancy (hybrid working) and increases in full remote working, provided significant opportunities to reduce energy consumption wherever possible by switching off lighting, HVAC and other systems that are not required for staff comfort or use.

At our Sydney site, our measured office electricity use for research and administrative purposes decreased by 4.6% over the previous year, down to 3,245 MWh, (see Table 12).

Table 12: Electricity use for research and administrative purposes, Sydney campus

	Office e-MWh	Δ	People	Office e-MWh/person	Δ
2021	3,401	-12.7%	912	3.73	-20.46%
2020	3,896	-5.7%	831	4.69	-7.5%
2019	4,131	-3.8%	815	5.07	-6.0%
3 years		-17.7%			-25.4%

In 2022 our global operations continued to expand with new sites and continued high demand for our products. That plus ongoing COVID-19 related challenges continued to require the separation of staff in our production facilities by time and distance. This meant production activities across our global manufacturing sites remained spread across multiple shifts, and included weekends, leading to significantly more run hours for the HVAC, lighting, and other building systems needed to meet operator comfort and production environment requirements.

Also in the past year, we continued to significantly lower the risk of COVID-19 transmission across production and engineering office areas to help maintain business continuity. This was achieved through operational changes that increased ventilation using large amounts of outside air (OA) to meet a minimum of six full air changes per hour. This higher OA percentage significantly increased the demand on chilling, heating, humidification, and dehumidification systems resulting in higher overall plant energy (electricity and natural gas) consumption. During the latter part of the year, at our major product development and manufacturing facility in Sydney, there was a partial reversal of these operational changes as COVID-19 moved into the endemic phase in Australia. The site's natural gas consumption reduced from 14,787 GJ in 2021 to 14,056 GJ in 2022.

Our significant manufacturing operations are located in Sydney; Singapore; Malaysia; and Chatsworth, California, USA. Over the year, our production energy efficiency continued to improve through changes to production equipment, manufacturing processes, and production lines. This involves adding new lean process equipment such as advanced multi-cavity tooling cells with robots for demoulding, automated assembly lines, test equipment, and packing and conveying systems. Although new process equipment sometimes consumes greater energy, it delivers higher productivity and better energy intensity.

Our gross production energy intensity (total production energy consumption per revenue in millions) that measures the relationship of ResMed production energy consumption and revenue growth fell significantly from 32 GJ/\$M Rev in 2021 to 25 GJ/\$M Rev in 2022, as shown in Table 13. Improvements to building, lighting systems, and plant and other equipment, also contribute to enhancing the baseload energy use and intensity of our manufacturing sites

Table 13: Global production energy use and intensity

	2022	2021	2020
Production energy (GJ)	89,615	101,333	77,259
Energy Intensity (GJ/\$M Rev)	25	32	26

Greenhouse gas emission

Our global Scope 1 and Scope 2 emissions¹ have reached 25,059 tonnes of CO₂ equivalent (T CO₂-e) in fiscal year 2022 (see Table 14). The overall increase in total energy consumption is due to the reporting of new sites, car fleet fuels and other scope 1 sources which were not accounted for in the previous reports.

ResMed's greenhouse gas (GHG) emissions' intensity is now down to 7.0 T CO₂-e /\$M Revenue. The overall company basis decline in emissions suggests a combination of site energy initiatives, reducing Scope 2 emissions as well as the decarbonization of energy grids in various parts of the world.

The total emissions are well below the thresholds that trigger emissions reporting or liabilities in countries in which we operate, including the U.S., Australia, and Europe.

Table 14: Global greenhouse gas emissions, tonnes of CO₂ equivalents, T CO₂-e

	Total energy consumption (GJ)	Total GHG emissions (T CO ₂ -e)	Emissions intensity (T CO ₂ -e /\$M rev)
2022	207,104	25,059	7.0
2021	166,618	23,028	7.2
2020	153,668	22,171	7.5

8 additional offices/facilities have been included in 2022's data. Scope 1 emissions now includes all four categories: Stationary Combustion, Mobile Combustion, Fugitive Emissions and Process Emissions.

Our approach to emissions measurement, reduction and decarbonization is developing as we grow. We will remain focused on becoming more energy efficient across our operations, reducing our consumption sourcing renewable energy, and investing in onsite generation where possible and appropriate. However, we'll examine opportunities to consider further electrification of facilities, plant, and vehicle fleets to reduce emissions in the future.

¹Scope 1 (includes stationary combustion, mobile combustion, fugitive emissions and process emissions) and Scope 2 (includes indirect emissions from the generation of purchased energy)

Resource efficiency and environmental stewardship

Sustainable design & packaging

As part of our vision to become leaders for sustainability in healthcare we are committed to reducing the environmental impact of our products, while still delivering unparalleled care for our patients. Our dedicated Product Sustainability team has acted to ensure sustainability is embedded in our mindset, our teams, and our processes.

Horizon	Objective
1. Incremental (2020–2023)	<ul style="list-style-type: none"> • Divert packaging waste from landfill by 2023 • Reduction in material mass in packaging and product. • Reduction in industrial waste, energy, and water usage
2. Evolutionary (2024–2026)	<ul style="list-style-type: none"> • Divert product waste from landfill • Adopt low-impact materials in both packaging and product.
3. Revolutionary (2027–end of 2030)	<ul style="list-style-type: none"> • Products designed for circularity

Creating sustainable processes, informed teams, and efficient supply chains is just the start of our journey. To positively impact the environment, we need to constantly strive to improve the sustainability of our products, packaging, and processes. We are developing a clear execution roadmap to bring our strategy to fruition. However, as we proceed with developing innovative and sustainable technologies, the path through the medical device regulatory space is not simple. Our targets are intended to create momentum and focus in solving these challenges and, through close collaboration with our suppliers and regulators, we endeavor to find a path that prioritizes patient safety and product quality, while also fostering sustainable innovation.

Despite the regulatory challenges, we have been working on parallel projects in high-impact, lower-risk areas that demonstrate our commitment to environmental sustainability. An example of this is the outer packaging on our most recent CPAP machine, as outlined below:

Progress in FY22:

AirSense 11 packaging

In fiscal year 2022, ResMed's launched its latest generation CPAP machine, AirSense 11. Throughout the development of AirSense 11, the industrial design team holistically approached how we would pack and ship the product, with the aim of significantly reducing our environmental footprint. To this end, when compared with our AirSense 10, AirSense 11 has the following key benefits:



AIRSENSE 11 PACKAGING

A REDUCTION OF 336 METRIC TONNES OF CARDBOARD PER ANNUM.*

1. At full production AirSense 11 has a 67% increase in the number of units shipped per pallet when compared to AirSense 10 (100 units for AirSense 11 vs 60 for AirSense 10). This resulted in dramatic reduction in shipping container movements and associated environmental benefits in freight and logistics.
2. The AirSense 11 packaging system uses 39% less cardboard than the AirSense 10 packaging, delivering a reduction of 336 metric tonnes of cardboard per annum.*

*Based on estimated sales volume of 2.4 million units per annum.

Life Cycle Assessments (LCA)

At ResMed, our sustainability strategy is data driven and focuses on the areas we can have the most impact. To support this strategy, in FY22 we built capability in house to conduct Life Cycle Assessments using the gold standard software package SimaPro. Our updated product development procedure also contains various check points for the environmental impact of a product to be assessed against our sustainability requirements and LCA data.

Additionally, we employed an external consultant to conduct LCAs on our most recently released mask and CPAP machine. The results of these assessments are being used to by our product development teams to guide their focus as they develop new, more sustainable iterations of our life-changing sleep apnea products.

Hazardous materials

The European Directive on the Restriction of Hazardous Substances (RoHS) in electrical and electronic equipment has been applied to medical devices since 2014. The recast RoHS directive restricts lead, mercury, hexavalent chromium, polybrominated biphenyls (PBB), and polybrominated diphenyl ethers (PBDE) to 0.1 % w/w, and cadmium to 0.01 % w/w. Additionally, the 2015 amendment expands these prohibited substances list from six to ten by adding four new types of phthalates at a threshold of 0.1 % w/w. These phthalates include bis(2-ethylhexyl) phthalate (DEHP), butyl benzyl phthalate (BBP), dibutyl phthalate (DBP), and di-isobutyl phthalate (DIBP). This amendment came into effect for all medical devices which are placed on the market after July 22, 2021. All ResMed electrical devices placed on the market after this date comply with the RoHS directive.

Supply chain

We set out our expectations of supplier environmental performance in the [ResMed Supplier Manual](#).

We credit suppliers through our rating system if they operate to a certified environmental standard (e.g. ISO 14001). Our regular quality audit of supplier facilities includes observations on environmental performance.

Our expectations of suppliers include:

- Maintaining and disclosing up-to-date, traceable information for every individual (homogeneous) material, as required;
- Compliance with the Restriction of Hazardous Substances directive including 2015 amendment and compliance requirements for medical devices by July 22, 2021;
- Supply pre-RoHS original or, where directed, alternative RoHS-compliant parts;
- Compliance with Health Canada requirements for disclosure of DEHP (found in flexible PVC) or BPA (found in polycarbonate); and
- Compliance with the European Union's 2006 Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) regulations for substances of very high concern.

Land and biodiversity impacts

Our operations do not have a significant impact on the immediate environment. All premises have been built or are leased in existing commercial locations. The major Sydney and San Diego premises feature drought-tolerant landscaping and plantings.

Habitat protection

At all premises we minimize the risk to ecosystems. For example, during the construction of the Sydney site, ResMed retained the existing natural water features. Creeks partially flow through the campus; the pond and the setbacks riparian zone are in compliance with Water NSW guidance.

The size of the habitat protected is approximately three acres. Rainwater collected from the roof and storm water from underground pipes is discharged into the pond via storm water collection pits. To maintain good water quality, we have installed waste removal systems: oil/grease traps, trash racks and slit pits that are cleaned and maintained regularly with maintenance records in place. Additionally, a biological filter is installed in the pond to maintain healthy circulation of water. Appropriate contractors are engaged to implement weed control as part of the landscape management with maintenance records.

We have not observed or recorded the presence of species known to be endangered or protected on our sites.

Improving waste and recycling

Our global approach to waste is integrated with and influenced by our approach to quality, safety, and environmental management: We continually seek to improve efficiency and outcomes.

Our Product Sustainability Strategy sets out further product development objectives over several horizons that aim to improve waste and recycling outcomes throughout the lifecycle of our products. This includes diverting packaging and product waste from landfills, reducing the total amount of material used in our packaging and products, adopting low impact materials where feasible, reducing industrial waste through component supply and manufacturing activities, and designing products for circularity.

Our recent achievements include a 53% size reduction of our autobag for 15% of spare parts with smaller dimensions, resulting in 66% of less plastic packaging.

All sites segregate recyclable waste for disposal. In 2022, we measured the total waste sent to landfills and recycled in all our major sites and achieved a recycling rate of 58%, a 5% improvement on the previous year (see Table 15).

Increasingly, waste manufacturing and office equipment materials are being diverted from landfills as their component elements, including rare earth metals, become more valuable. Packaging and pallets from our supply chain are the main waste contributors. Many sites, including Sydney and Munich, have implemented reusable cartons or pallets for our internal logistics. At our U.S. sites, we work with local suppliers to minimize shipping. We also worked with suppliers to reduce or return packaging for reuse, where feasible. At our Chatsworth site in California, we use evaporative heating to dispose of water-based coolants on a small scale. In Atlanta, we have implemented an onsite shredder for recycling of scrapped devices since 2019 and worked with a recycling vendor to increase corrugated recycling.

There are multiple sustainability projects underway to improve waste-to-landfill rates and other environmental impacts. For example, the Sydney site is investigating technologies to enable recycling of factory waste cushions, enable reuse in making 3D printing filaments, and innovative building materials.

Case Study: Recycling in Sydney

At our Sydney manufacturing site, the volume of recyclable cardboard coming from our supply chain increased in fiscal year 2022 from 450 tonnes to 787 tonnes. In the previous year, waste pick-ups to clear the compactor were occurring every weekday with an average 2.1 tonnes per pick up.

In FY22 we introduced a new twin-auger compactor with a 35-cubed-meter bin and automatic SMS notifications when the bin is nearly full at a much higher volume of 8 tonnes to reduce the pick-up volumes and associated emissions from the bin pick-up and drop-off transport. This capability also enabled the factory to manage the significantly increased volumes of packing due to increased production output to meet demand.

We also improved our waste management program in our Sydney site through improved signage and communication. Along with improving ease of access to recycling bins, these changes influenced behavior to encourage a more thoughtful approach to how waste is being disposed. The education on environmental improvements is also embedded within our continuous improvement culture where we enable a quick assessment to capture improvements made by employees and combine efforts for environmental targeted improvements.

Table 15: Waste from global operation

	Global	Landfill waste (T) (non-hazardous waste)	Δ	Recycling waste (T) (non-hazardous waste)	Recycling rate (%)	Sydney, Malaysia	Hazardous waste (T) (incinerated/ recycled/landfilled)
2022		2,275	26.8%	3,122	58%		34.21
2021*		1,794	43.8%	1,984	53%		36.11
2020*		1,248	-8.9%	2,460	66%		–

*2021 and 2020 data exclude UK

Water

Water stewardship

We are committed to managing the water resources we share with our communities in which we operate. Water is used in our facilities worldwide for research and test purposes; in HVAC plant and equipment; kitchen, bathroom, and fitness facilities; irrigation; cleaning; and general human consumption. Water used for manufacturing purposes is negligible. To address the water footprint of our corporate and manufacturing sites, we focus on using water efficiently, discharging water responsibly, and using alternative water sources if available and appropriate.

For example, in our 12-hectare Sydney facility, all irrigation activities are entirely fed from rainwater, collected from hard surfaces such as roofs, driveways, pathways and car parks and discharged into a series of ponds via stormwater collection pits. The ponds are connected by weirs and pumps, and water is kept healthy via bio-filter circulation. In addition to providing rainwater storage, the ponds and weirs combine to serve as a beautiful water feature for the visual amenity of staff and visitors. The water feature also attracts native birds, reptiles, and other animals and reptiles, supporting biodiversity on the site.

In our Moreno Valley, San Diego and Sydney facilities various design and upgrade initiatives such as water friendly, low flow urinals and low flush devices, tap aerators and sensor taps are contributing to managing our water footprint.

In fiscal year 2022, global* water consumption totaled 106,898 kiloliters (kL) with water use intensity increasing to 29.9 kL per \$1 million in global revenues (see Table 16). This increase is largely due to the inclusion of five additional offices/facilities in the reporting. Compared with the previous two years, more production shifts, longer operating hours and more staff returning to offices in 2022, potentially contributed to the increase in water use (water consumption per capita) to 12.89 kL/person. Although an increase and an area for us to remain focused on, ResMed's water intensity per person is still 55% lower than our peak in the year 2010 (28.34kL/person).

Table 16: Global and major sites' water consumption

		Consumption (kL)	Per employee	Per \$M global rev.
2022	Global *	106,898*	12.89	29.9
2021		83,119**	10.67	26.0
2020		83,924***	10.81	28.4

*Additional offices/facilities have been included in 2022 data

**Excludes Switzerland and the UK

***Excludes Switzerland

Paper

Paper is used in our sites for both office and production processes. Our global paper use totaled 9.25 million sheets (46 tons) in 2022. This total figure is an increase on the last three years' results but is similar to 2019's pre-pandemic results.

The consumption declines seen in fiscal years 2020 and 2021 likely reflect COVID-19-era flexible work arrangements and production output. In 2022, increasing production activities, more workers returning to offices and new site acquisitions have likely contributed to an increased use of paper resources, back to similar pre-pandemic results.

However despite the higher total use of paper there was a decline of five sheets per employee from 1,121 in 2019 to 1,116 sheets in 2022 (see table 17).

There are common paper reduction initiatives at many sites to promote the use of double-sided and centralized printing, and to rely more on electronic means for internal communication and billing. Additionally production processes that once relied on paper, have moved to electronic recording, eliminating large amounts of paper. Our Moreno Valley site, has moved to paperless billing, while our Lyon and Denmark sites continue transitioning processes from paperwork to numeric data processes and paperless filing.

In the past, our Sydney operations had undertaken a campus-wide printer refresh with better energy efficiency printers and swipe-release function to minimize unnecessary printing. The implementation resulted in a noticeable reduction in paper utilization. This system also enables data monitoring, which reveals paper savings from unreleased jobs.

Table 17: Paper use, global

		Sheets ('000)	Tonnes	Sheets per employee	Δ
2022	Global	9,252	46	1,116	43.1%
2021		5,068	25	635	-43.3%
2020		6,640	33	851	-43.72%

*2022 data excludes Moreno Valley site

PRODUCTS

Our core mission is to improve people's health and wellbeing by providing innovative and high-quality products and services for sleep apnea, COPD, asthma, and other chronic conditions, as well as to help streamline the process of aiding and managing consumers of out-of-hospital care services such as skilled nursing, life plan care, or home health and hospice services. This focus on product quality and innovation is reflected not only in the high regard our customers have for our products and services but in our vigilance in meeting our safety and marketing obligations.



Quality, innovation, and continuous improvement

Our people work in accordance with high operational standards. Our commitment to quality, innovation, regulatory compliance, and continuous improvement is stressed in our [Global Quality Policy](#). Our key operational sites operate within a comprehensive quality management system to follow this policy.



AirSense 11 and myAir



AirMini and AirFit P10

Our product development teams are investing in inclusion by design thinking to design, develop, and implement technology that is accessible and supportive of diverse communities. Being inclusive in technology development means cultivating an inclusive culture with a diverse product development employee base and including diverse communities in our design and testing processes. We've increased awareness and implementation of accessibility and inclusive design in our products, services, and other technologies. Product development team members attended DiversityIN's annual conference and are approaching design of our masks through a more inclusive lens. We now incorporate accessibility testing, more diverse user testing, and inclusive design thinking in our product roadmap.

Our product quality is best reflected in the awards we have received for product design. Please see Table 3 for these awards and highlights.

Product development and clinical trials

We have a strong track record of innovation in the sleep and respiratory care markets. Since introducing our first CPAP device in 1989, we have conducted an ongoing program of product advancement and development. Currently, our product development and clinical trial efforts are focused on improving our current product offerings and usability as well as also expanding into new product applications.

We continually seek to identify new applications of our technology for significant unmet medical needs. Sleep apnea, for example, is associated with several symptoms beyond excessive daytime sleepiness and irritability. Studies have established a clinical association between untreated sleep apnea and systemic hypertension, diabetes, coronary artery disease, stroke, atrial fibrillation, chronic heart failure, and mortality.

Across our sleep and respiratory care platforms, we support clinical trials in many countries including the Australia, Canada, China, France, Germany, Japan, Netherlands, Singapore, Spain, Switzerland, United Kingdom, and the United States to develop new clinical applications for our technology.

FIRST
CPAP
DEVICE
IN 1989



\$254 MILLION
INVESTED IN INNOVATION
IN 2022

*Pictured: Colin Sullivan, '89
M.B.B.S., Ph.D, FRACP*

We also continue to support some of the largest sleep apnea studies in history by performing advanced statistical analyses on millions of real-world clinical data points collected through our cloud-connected devices and patient engagement tools. These studies, which we have begun to publish, provide clinical insights around patient management, device settings, and predictors of patient adherence that inform our product development efforts.

We consult with physicians at major medical centers throughout the world to identify clinical and technological trends in the treatment of sleep apnea, COPD, other respiratory diseases, and the conditions associated with them. New product ideas are also identified by our marketing staff, direct sales force, and network of distributors, customers, clinicians, and patients.

For our products to remain leading solutions in very competitive markets, we invest appropriately in innovation, with approximately 17% of our employees devoted to research and development activities. In fiscal year 2022, we invested \$253.6 million, or approximately 7% of our net revenues, in research and development.

Table 9: Expenditure on R&D, 2020–2022, economic value generated and distributed

	2022	2021	2020
Revenue (\$m)	3,578.1	3,196.8	2,957.0
R&D investment (\$m)	253.58	225.28	201.95
R&D/revenue	7%	7%	7%
Research and development staff headcount	1,350	1,370	1,280

Product quality

Our quality management system guides our employees' and suppliers operations to ensure our products are designed, manufactured, and distributed to meet patient needs and performance requirements. We use engineering and other scientific principles to design and manufacture our products. We design manufacturing processes to consistently meet product quality attributes. We apply these principles from product conception through commercialization, and for the product's life.

We have established data sources and metrics in several quality sub-systems including product development, supplier performance, manufacturing process controls, equipment controls, field performance, complaint management, audits (internal, external, and supplier), and product risk assessment. We also monitor data trends and take appropriate action based on those trends.

Quality at ResMed

Patient and employee safety are ResMed's top priorities. As such, we work to ensure every product works safely, effectively, and efficiently. Our product quality is underpinned by our quality management system, which takes into account the requirements of the International Organization for Standardization (ISO) 13485 standards for medical devices, the European medical legislative requirements (Directive 93/42/EEC and Regulation 2017/745), the U.S. FDA Quality System Regulations for medical devices (21 CFR part 820), the Japan MHLW Ministerial Ordinance No.169, and other regulations in our target markets.

ResMed's quality management system provides an integrated quality plan covering quality practices, resources, and activities. The main systems include organization management; environment management; change control and document management; and improvement management, including CAPA, risk management, and post-market surveillance. The quality management system is certified by an independent notified body.

All our employees complete training in relevant quality management system areas. We also train employees in good manufacturing practice, which guides everyday behaviors in a medical device manufacturing operation, such as personal hygiene, protective clothing, and documentation standards. We implement a comprehensive internal audit program across the entire business – with over 50 internal audits a year – to ensure compliance with the quality management system and to help identify improvement opportunities.

Quality with suppliers

ResMed draws over 2,000 individual components or materials from over 200 approved suppliers in our current product range. We have a comprehensive supplier approval process, with assessment tools that include audits according to the assessed risk of the component or service. We establish standards for supplier communication, responsibilities, quality systems, traceability, and environmental aspects. We require suppliers to have, at a minimum, ISO 9001 or an equivalent quality management system, to be certified by an acceptable third party, and to adhere to the applicable Jedec, IPC, ANSI, J-STD, and SAE standards for electronic components. In some cases, we may approve a supplier that is not ISO 9001 certified, based on our audit of their quality system, with agreed and documented controls.

We conduct ongoing supplier audits based on our initial assessment of a supplier, their subsequent performance, and the nature of the supplied goods. Audit frequency can range from 6 to 48 months. On average, our supplier audit team audits approximately 60 suppliers a year. Most supplied components are also inspected before use for compliance against detailed specifications. Corrective actions are specified for any quality defects, escalating through to termination of contract for failure to address defects.



WE REQUIRE SUPPLIERS TO HAVE, AT A MINIMUM, ISO 9001 OR AN EQUIVALENT QUALITY MANAGEMENT SYSTEM.

Supplier networks

As part of a globally distributed manufacturing network, our aim is to optimize quality, cost control, time to market for new product introduction, and supply chain resilience. Of the numerous raw materials, parts, and components purchased for assembly of our therapeutic and diagnostic sleep disorder products, many are available from multiple vendors. The suitability and quality of our supplies is paramount. To achieve that quality, we seek and value long-term stable relationships with our suppliers. We conduct regular supplier business reviews to realize increased value from the relationships through review of performance, business outlook and future focus areas. We encourage suppliers to develop partnerships, networks, and relationships that can support ResMed's global manufacturing network.

CELEBRATING THE
PARTNERSHIP WITH OUR
SUPPLIERS AT THE
ANNUAL STAR AWARDS
IN SEPTEMBER 2022



Warranties

We generally offer either one-year or two-year limited warranties on our devices. Warranties on mask systems are for 90 days. Our distributors either repair our products with parts supplied by us or arrange shipment of products to our facilities for repair or replacement.

We receive returns of our products from the field for various reasons. We believe the level of returns experienced to date is consistent with levels typically experienced by manufacturers of similar devices. We provide warranties and returns based on historical data.

Customer satisfaction

ResMed keeps comprehensive confidential data on customer attitudes to our product quality and customer service.

ResMed generally sells products through medical and health product resellers in most markets, rather than direct to users. But in certain markets (most notably Germany and Australia), we sell directly to end-users. In wholesale markets, health, marketing, and privacy regulations limit the extent to which we can engage directly with users. Accordingly, much of our data on product quality and customer service is derived from wholesale customer surveys, rather than surveys of those using our products. We believe the views of our customers, who also deal with comparable healthcare products including those of our competitors, are reliable, and in some aspects constitute a more accurate and less anecdotal reflection of overall performance than those of individual users.

Product safety

We take our product safety obligations seriously and rely on our quality management system to help us meet stringent regulatory standards in all our markets. We apply risk management principles from product design, through commercialization and post-market. We continually monitor the field performance and safety of released devices, and work with our customers and regulators to ensure safety and effectiveness for the product's life.

During the period of FY22 ResMed did issue any safety-based product recalls for its devices globally, did not receive any U.S. FDA enforcement actions in response to GMP or other violations, and had no fatalities reported to the U.S. FDA directly linked to a failure of a ResMed device. The complete ResMed product listing as shown on the U.S. FDA's MedWatch Safety Alerts for Human Medical Products database is shown below:

- 900W DC Converter
- AcuCare HFNC
- AirCurve 10
- AirCurve 10 ASV
- AirCurve 10 VAuto
- AirFit F20
- AirFit F20 Headgear
- AirFit N30i
- AirFit P10 Nasal Pillows System
- AirMini
- AirSense 10
- AirSense 10 AutoSet
- AirSense 10 AutoSet For Her
- AirSense 10 CPAP
- AirSense 10 Elite
- AirSense 11
- AirSense 11 AutoSet
- Astral 100
- Astral 100 Main PCB
- Astral 150
- Astral 150 Main PCB
- Astral External Battery
- Astral Internal Battery
- Astral Pneumatic Block
- Astral Pneumatic Block Sensor PCB
- Astral PSU
- Astral PSU Slim Line
- ClimateLine Tubing
- H4i
- HumidX Plus

Marketing and labeling

Product marketing and labeling requirements are set by medical device regulators in all countries in which our products are sold (e.g. the Australian Therapeutic Goods Administration, the U.S. Food and Drug Administration). Products cannot be marketed until a regulatory and legal assessment called label review verifies that these requirements are met. All marketing material must correspond with approved labeling to ensure any performance claims made have been verified. Our quality management system incorporates elements to ensure compliance with labeling requirements,

including translations. Our internal quality audit processes also cover the areas of product marketing, user guides, and clinical guides, including translations.

We did not receive any material non-compliance notices during fiscal year 2022. Our internal audit identified and corrected several minor issues, and we received some notices of minor non-conformance from regulatory authorities.

Biocompatibility testing

As a medical device company distributing products into global markets, ResMed is required to comply with regulatory requirements intended to ensure materials in our products are biologically safe for the intended use.

Biological evaluation is commissioned to be performed in order to confirm with the biocompatibility of materials that go into our products, as per the international standard, ISO 10993-1:2018, "Biological evaluation of medical devices."

The FDA and other regulatory agencies still require safety data based on animal studies. If an animal study is not avoidable, ResMed employs the 3Rs approach (Replacement, Reduction, and Refinement) to animal studies whenever possible, and takes all practicable steps to ensure that we meet the required standard of animal care and welfare specified by ISO 10993-2:2006, "Animal welfare requirements." These considerations are also reflected in our internal work instructions during biocompatibility evaluation.

Military products and uses

Other than where our products are used by military personnel, neither ResMed nor its subsidiaries produce or contribute to any products or services designed or used for military purposes. We have no intention or aspiration to produce or sell arms or any equipment designed solely for military use.

Product price

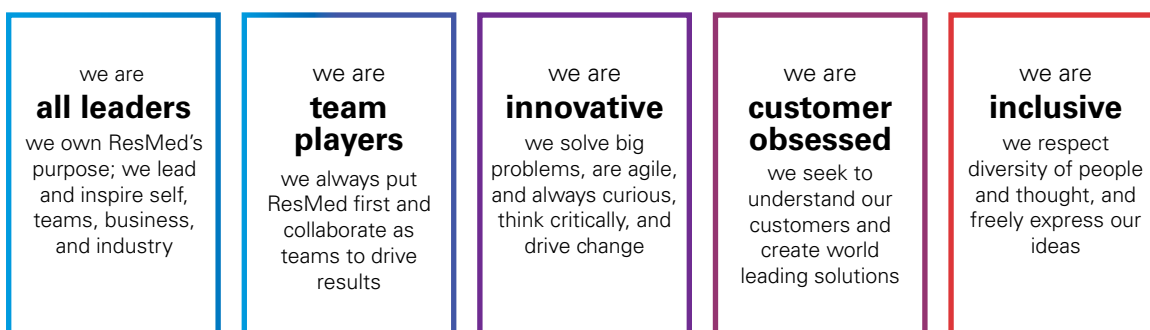
Given the variety of ways in which our products and services are sold across the world (including through various channels to various stakeholders at various stages in the patient care continuum), we have a myriad of ways of communicating and negotiating prices with our customers, and the term "customers" can represent many different types of purchasers.

Prices may be set through formal contract negotiations, through participation in government; hospital; healthcare system tender; or even through the direct advertising and sale of a product in a retail or eCommerce setting. Depending on the purchaser and country, sales price can be impacted by regulation, payer reimbursement, volume, and/or other product purchase commitments that may be subject to negotiation. In all instances, the selling price is established and understood at the time of the sales transaction and bound by whatever terms and conditions that may be applicable to the particular transaction in that country. In most instances, and because the terms of sales agreements are unique to the participating parties, the terms (including price ranges and other similar metrics) are not made public. The organization typically maintains country-specific list prices (e.g. a manufacturer's suggested retail price or MSRP), which are made available upon request and often form the basis of the purchase negotiations. We have established processes that allow leadership to maintain governance and appropriate control over changes to customer pricing.



OUR PEOPLE

We are committed to building and fostering an extraordinary culture of belonging, inclusion, and diversity, where every ResMedian does their best work to help millions of people live healthier and higher-quality lives.



Our people are key to our company's growth: Our ability to improve 250 million lives in 2025 depends on the strength of our people and the culture we build together. We continue to offer flexible and competitive programs and benefits to attract, develop, and reward ResMedians around the world, with a focus on enabling a supportive environment that allows our employees to thrive in their personal lives and the workplace. We provide multiple learning programs to enhance organizational capability and allow our people to invest in their professional growth.

Our Code of Business Conduct & Ethics and other formal policies on workplace behavior, discrimination, harassment, health and safety, career development, and employee benefit programs help reinforce our culture, which supports our people to be the best they can be. Compliance with environmental, safety, and labor standards is integral to our operational ethos and business ethics. Our measures of safety, remuneration, and employee engagement are strong while our rate of employee turnover is in line with or lower than industry benchmarks.

As of the end of fiscal year 2022, our workforce was comprised of over 8,000 people (including contingent workers), of which over 80% were full-time employees, working across multiple geographies around the world. We generally use contingent staff for specialized services, or during peak times in our manufacturing and production teams. The number of contingent staff varies significantly based on seasonal demands.

Table 4.1: ResMed's people by employment type, as of 30 June 2022

Employment Type	%
Regular (full time and part-time) and fixed-term headcount	84.3
External temporary headcount (agency temps, consultants, and contingent workers)	15.7

Table 4.2: ResMed's people (regular and fixed-term employment only) by gender as of 30 June 2022

	Total	Full time	Male	Male Full time	Female	Female Full time
Total	8,292	98%	3,772	98%	4,509	98%
Americas	3,132	97%	1,479	97%	1,647	97%
Asia-Pacific	3,704	96%	1,596	97%	2,107	97%
EMEA	1,456	99%	697	99%	755	99%

- Headcount information about gender is not available for seasonal or other contingent workforce; therefore table above excludes them.

- Not all employees disclose gender or select 'Male' or 'Female' so 'Male' and 'Female' totals may not sum up to total reported regular and fixed-term headcount.

Diversity and inclusion

At ResMed, our commitment to inclusion is in everything we build, say, and lead. We invest in developing our company's inclusive lens through our people practices and leadership representation, as well as in how we innovate and think of our products, policies, and access to care. We commit to belonging, inclusion, and diversity because it accelerates our innovation, improves the wellbeing of our employees, and helps bring our innovative solutions to more people around the world.

We measure our progress through our bi-annual employee engagement surveys, our people practices, and our increased number of hires from diverse communities that represent different backgrounds, races, genders, life experiences, ways of thought, lifestyles, and more. We leverage employee feedback in the implementation and design of our diversity and inclusion (D&I) approach because we want it to be a collective initiative that our employees feel a part of.

We know that D&I does not have a finish line and appreciate the fact that it is a lens that needs to be adopted across all our business units to truly be successful. We're focused on training our people leaders to lead inclusively and drive diversity to their best ability within their teams so that everyone feels a strong sense of belonging.

Employee-driven initiatives and input

For the past two years, we have had a dedicated Diversity and Inclusion (D&I) team that consults, manages, and delivers on our global D&I initiatives. Our Head of Diversity regularly engages with a Global D&I Council made up of employees from around the world that advise on regional trends and a Task Force in our SaaS Business that advises on our strategy to promote the team's projects and campaigns.

ResMed offers many inclusion-building initiatives that create opportunities for personal and professional development, community outreach, and networking opportunities. These are largely designed and implemented by our employee resource groups (ERGs), employee-led groups that share a common interest or lifestyle and want to positively contribute to ResMed culture. ERGs support our inclusion initiatives through professional development, fostering a sense of belonging through learning and culture, and by helping deliver business needs (diverse sleep trials, mask fittings, community outreach, and employee recruiting). The groups currently available to our employees are: Black and African American, Asia-American-Pacific Islander, LGBTQIA+, Hispanic and Latin, Veterans, People of all Abilities and Disabilities, Parents, Women at ResMed, Women in Sales, Women in SaaS, Women in Canada, Women in Tech Australia, our office in Ireland, and our office in France.

Inclusive leadership

We view leadership and management of our teams through the values of inclusion and diversity because we know that is how we will achieve a strong sense of belonging. Our employee feedback on ResMed's "sense of belonging" has increased across the organization. To enhance corporate-wide development, we roll out Inclusive Effective Management and Inclusive Leadership trainings. This learning includes upskilling ResMed leaders on how to manage and account for all forms of diversity, ranging from disability, neurodiversity, Veterans entering the Civilian world, LGBTQIA+ identities, and more. The D&I team empowers ResMedians globally to own their personal growth by taking micro learnings and completing a certificate of D&I. All learnings are offered with translation and caption services.

Accessibility

This year was the first time that ResMed acknowledged Global Accessibility Awareness Week. In partnership with our Inclusive Design team and some of our Product teams, the D&I team engaged with Accessibility experts in the field and elevated our awareness of designing with accessibility and inclusivity front-of-mind. Our Product Design team attended DisabilityIN's annual conference and is approaching the design of our mask from a more inclusive lens. For example, we now incorporate accessibility testing, more diverse user testing, and inclusive design thinking into our product roadmap.

In addition, we champion the use of our existing accessibility tools in Zoom and Teams meetings and encourage using accessibility functions, like captions and translation services, in all virtual and hybrid meetings.

Workplace inclusion building. We continue to incorporate inclusive language and diversity considerations in our documents to ensure that we consider our people first. We are also analyzing all our benefits programs worldwide and assessing fair access for all our employees, including:

Inclusive language. We've established a cross functional team comprised of Marketing, IT, Product, and Communications employees across all ResMed entities to champion the use of inclusive language across the business to ensure that all our material is inclusive.

Inclusive talent management practices. Our efforts to build a world-class workforce that represents our global patient and customer base is at the forefront of every candidate call. Our teams are dedicated to hiring the best for the role while intentionally expanding talent pipelines. We forged new relationships this year, granting us access to thousands of resumes of Hispanic and Latin women in tech, women in Sales, Veterans, LGBTQIA+, and people with disabilities. We expanded our branding, outreach, and the number of applications we received from a diverse pool of talent. This past year, new marketing assets were created, including new toolkits and talk tracks for our recruiters to use while engaging with prospective talent. In our conversations with candidates now, we focus on highlighting our culture and ways to engage across the organization, be it through our ERGs, our professional development programs, or our series of informational talks. We also relay our accommodations and flexible work policies.

Our accountability in building diversity in our hiring practices across ResMed comes through improved data management and analysis. We are committed to updating our data tracking and leveraging our dashboards in leadership conversations.

Gender diversity. We have multiple initiatives and programs to promote and accelerate gender diversity, and we are committed to the diversity of our board of directors through strategic board refreshment efforts. Table 5 below shows the percentage of our employees who are female at four levels of seniority. These statistics change from year to year as individuals join, are promoted into, and/or leave various levels.

Table 5: Employee gender profile, by seniority band, and by headcount (global)

	Executives VP and above		Senior		Mid-Junior		Production	
	Male	Female	Male	Female	Male	Female	Male	Female
2022	68%	32%	66%	35%	48%	52%	25%	75%
2021	71%	29%	65%	35%	43%	57%	21%	79%
2020	70%	30%	65%	35%	44%	56%	18%	82%

We continue to invest in leadership and growth opportunities for women across the organization through transformative programs like Women Unlimited and internal mentoring programs. Externally, we continue to partner with Athena, an organization for female STEM professionals in San Diego, and we partnered with Latina Geeks, providing opportunities for external mentorship and pipeline building. There was also an intentional effort to reach out to women in Sales and partner with the National Association of Women Sales Professionals.

There is no distinction in ResMed employment benefits based on gender. We provide the same paid and unpaid parental leave to all employees who meet eligibility criteria in accordance with or above relevant state and/or federal laws.

People development

Goals and development

At the start of each fiscal year, senior leaders collaborate across ResMed to set “objectives and key results” (OKRs). These are important, near-term execution priorities for the coming quarter to ensure alignment with ResMed’s long-term growth strategy.

We believe high-performing teams make performance and development discussions a regular habit. These conversations set clear expectations and focus on ways to leverage our peoples’ strengths, improve impact, navigate competing priorities, and provide perspectives to help our people grow, develop, and reach their goals. This includes regular check-ins between team members and their people leaders with a development focus.

Talent management

We think about talent as an ecosystem, where all information flows together, providing the foundation to have the right people and capabilities to meet current and future business goals. We have an approach that helps identify changing leadership and capability needs across the business, reduces gaps in talent for critical roles and ensures development is correctly focused. Key steps to this approach include the following on a regular basis:

- Workforce planning to identify critical roles and future capability needs;
- Understanding abilities and aspirations of our people based on ongoing discussions, regular check-ins, and career conversations;
- Talent assessment/calibration based on impact and potential with feedback from others and building development options;
- Succession planning for key roles; and
- Development discussions led by people leaders.

Development discussions

We encourage our people to think about areas of opportunity that will help them succeed in their role and in contributing towards ResMed’s strategy, outline what needs to be accomplished, and use the core competencies to discuss how to achieve these.

We have career and development pathways designed for specific roles in consultation with their operational management and learning and development specialists. We encourage our people to take advantage of online, on-campus, and tertiary learning avenues. We also provide financial support for education or training across many of our markets, when appropriate.

We provide more the 16,000 online courses that are individual, capability and skill specific, with formal tracking of employee completion and performance via our Learning Management System. Online and face-to-face courses on operational compliance issues are developed and delivered in-house. Online compliance courses on ResMed’s Code of Business Conduct and Ethics, diversity, U.S. Foreign Corrupt Practices Act, and health and safety are developed by our Learning and Development team with external subject-matter advisers.

Hiring policies and practices

We believe hiring is a key competitive advantage for ResMed and that finding and engaging the best talent is a collective responsibility. Our hiring philosophy focuses on finding, assessing, and hiring great talent to achieve our business strategy with a focus on recruitment excellence and ensuring D&I practices are embedded in our processes. We start by recognizing the value of our internal talent and then use strategic sourcing and our understanding of talent scarcity to analyze and fill the gaps.

Our approach is to provide a personalized experience to engage top talent, work to strengthen our employment brand, and promote our extraordinary culture.

As per our commitment to diversity and inclusion, we make a conscious effort to reach out to underrepresented candidates based on the current team composition to ensure more balanced representation on shortlists that increases the probability of hiring more diverse talent. We hire great talent based on performance, capabilities, qualifications, competence, and experience regardless of a candidate's gender, race, color, creed, religion, marital status, age, ancestry, disability or medical condition, sexual orientation, military status, ethnicity, socioeconomic background or any other personal characteristics.

Graduate and internship programs

A significant part of our talent strategy across a few of our key sites (Sydney, Singapore, and San Diego) is delivered through our Graduate and Internship programs. These programs aim to build multi-generational diversity and create talent pipelines for future leaders across our organization, whilst giving back to the student community through providing real-life work opportunities in various parts of our business. The success of these programs has been exceptional with several key leaders across the globe having joined ResMed via this pathway.

We offer multi-discipline opportunities in Engineering and key corporate business areas including Marketing, Finance, IT, Medical Affairs, and Quality. The duration and offering of each of the programs varies, with a common aim to cultivate strong relationships with diverse early career talent and help facilitate seamless entry into the work environment for undergraduate and graduate talent.

We have great partnerships with world-class universities that participate in our Graduate and Internship programs, some of which are:

- MIT (Massachusetts Institute of Technology) LGO (Leaders for Global Operations) program for students is their MBA dual degree program.
- NTU (Nanyang Technological University) REP (Renaissance Engineering Program) created to develop future engineering leaders who finish with a Bachelor Degree in Engineering Science and Masters in Technological Management.
- UNSW (University of New South Wales, Sydney) partnerships, including the Peter Farrell Cup (PFC). This is UNSW's most prestigious competitive ideas program that is designed to fast-track the next generation of entrepreneurs and start-ups. This is UNSW's most prestigious competitive ideas program that is designed to fast-track the next generation of entrepreneurs and start-ups.

Employee engagement and listening

We actively listen to our people's feedback and measure their engagement using regular surveys throughout the employee lifecycle to ensure we motivate our people to invest their energy towards positive organizational outcomes.

We enable our people to comment anonymously and freely on matters related to their employment experience, including pay equity. There is an active program following these engagement surveys to share findings openly throughout the company, and to put in place action plans at global and local levels to address priority issues.

Work-life balance and flexible working

We support our people and their families with flexible working arrangements, paid time-off, and consideration in scheduling. Paid time-off varies with local conditions but is generally available for sick leave, parental-community-care provider leave, bereavement leave, volunteer services, and military service where required by local laws. We are encouraging more flexible working arrangements such as job-share arrangements and condensed week options where roles allow.

Our parental leave policies are well above minimum legal requirements and very market-competitive in two key locations with a high number of employees in Australia and the U.S. Additional unpaid leave is available for a range of other personal reasons such as elderly care.

We maintain a significant community volunteering program that allows our people to integrate volunteering into their lives with the support of the company and, in some countries, provide volunteer-work-related paid time off.



WE SUPPORT OUR PEOPLE
AND THEIR FAMILIES
WITH FLEXIBLE WORKING
ARRANGEMENTS

Compensation and benefits (“Total Rewards”)

Our Total Rewards philosophy ensures that we compensate our employees fairly, equitably, and competitively. In alignment with our culture, we strive to communicate openly and transparently about how compensation decisions are determined. Additionally, our philosophy is designed to be thoughtful and fit-for-purpose to support our underlying ResMed strategy, as well as clear and simple to ensure understanding, adoption, and how compensation links to our shared goals and outcomes across our diverse global employee base.

Equal opportunity and pay equity are integral to this philosophy. We provide market-competitive compensation and benefits based on benchmarking surveys we regularly conduct for all position levels against relevant peer companies to attract, retain, and motivate the talent required to achieve stated company objectives, and execution of our company strategy. Our annual and long-term incentive packages are linked directly to business and individual performance, balancing short- and long-term financial and strategic objectives.

We also provide a competitive Employee Stock Purchase Plan (ESPP) to encourage our employees to invest in ResMed at a discounted price. For non-financial incentives such as health insurance, retirement, life insurance and leave, our policies and benefits conform to local regulations and practices and align to our ResMed values.

We embrace a thorough and comprehensive approach to ensuring fairness and equity within our underlying rewards programs. To this end, we run internal reviews and processes, and partner with external experts to assist the company in identifying and addressing potential pay equity issues, and as a result, we adjust where appropriate.

Table 6 below shows the percentage of our female employees at four levels of seniority and their average salaries compared to male salaries at these levels. These statistics change from year to year as individuals join, are promoted into, and/or leave various levels. As individuals enter more senior levels, they are likely to be at or below the mid-point of the applicable compensation range for the position compared with those who have held a similar position at the same level for a longer period.

Table 6: Employee gender profile, by seniority band (global)

	Executives VP and above		Senior		Mid-Junior		Production	
	Female	Salary	Female	Salary	Female	Salary	Female	Salary
2022	32%	99%	35%	98%	52%	99%	75%	96%
2021	29%	97%	35%	98%	57%	91%	79%	95%
2020	30%	94%	35%	98%	56%	94%	82%	96%
2019	32%	95%	35%	99%	56%	90%	80%	97%

-Headcount data as of 30 June in the respective years. The contingent workforce is excluded.

-Salary analysis based on FTE comparison

-Production classified as any EE under the manufacturing bonus plan

-Mid-Junior (Level 1-4), Senior (Level 5-7), VP-Exec (Level 8-9)

Employee consultation

Our management and labor workforce communicate effectively, including through informal committees and regular campus and team briefings and meetings. We track concerns, including through global, country-specific, and department-specific surveys of employee issues. Consistent with the law, our people are free to join any organized labor union or association. We do not keep a record of such memberships.

In France and part of our Germany-based homecare business, our employees are represented by Work Councils who are independent of trade unions and with whom we consult on any plan regarding the organization, health and safety, and working conditions.

France

The Work Council is the official representative of our people in France. Its members are elected through a strict and official electoral protocol controlled by the French state and the unions. Elections take place every four years, and the last elections were held in April 2019 by electronic voting. The current Work Council is composed of 21 non-unionized staff representatives and 1 union delegate. They benefit individually from 22 hours per month of delegation outside of meetings.

The Work Council is competent and must be obligatorily consulted in all negotiations relating to working conditions, company organization, health and safety, health collective insurance, and systems of compensation, training, and evaluation of employees. It also has access to the company's social and economic data and can call on external neutral experts. The Work Council is involved in negotiations related to diversity, gender equity, and ethics. It has a "civil legal personality" and an annual budget allocated by the company to carry out social actions. All elected representatives are legally protected against dismissal.

Management is required to have a minimum of six meetings per year with the Work Council. The local labor law representative and the occupational physician are invited to these meetings, which are chaired by the HR Director and the French Executive. The minutes of the meetings are transmitted by the secretary of the Work Council to all people employed by the French entity. The Council has a dedicated website where each employee can access all meeting minutes and actions taken.

Elected members and unions have a dedicated communication and direct marketing area in each company building. In addition, our French employees have access to free and anonymous telephone advice on their rights at work and in civil life.

Subject to consultation where applicable with the European Work Councils, workplace relations issues are negotiated directly with our employees, updating unions as required or requested.

Germany

We have over 600 employees in our German ResMed Homecare business, nine of which currently serve on the Work Council. One of them spends 100% of their time on council matters. The number of Work Council members is legislated based on the number of employees in the relevant legal entity. The Work Council is elected every four years by employees and acts as the representative body for our employees.

Work Councils can ensure a relationship of trust between our people and management by responding to employees' needs and, likewise, act as a buffer where there's a need for flexibility and restructuring within the organization. If a company policy or change affects co-determination rights, the company must first reach an agreement with the Work Council. These negotiations can be complex and time-consuming, depending on the subject; once a common path is agreed to, it is binding for all the people employed in this entity. The Work Council ensures that the rules, laws, regulations, collective agreements, and company agreements are respected. When it comes to making and enforcing decisions, the Work Council assists management in finding practical solutions.

Management has regular monthly meetings with the Work Council and regular weekly check-ins with one of the Working Committees (Betriebsausschuss). The Work Council has set up separate committees for IT (IT-Ausschuss), Education and Training (Fort-und Weiterbildungsausschuss), Economics (Wirtschaftsausschuss), and a Working Committee (Betriebsausschuss).

The Work Council has both information rights and co-determination rights. We have put a number of Work Council agreements in place to frame aspects of co-determination rights, such as: COVID Hygiene and safety measures, COVID Home Office and Remote Work, Employee Surveys, Working time (e.g. emergency service agreements), the annual merit increase, a framework agreement for compensation, a performance agreement, a company car policy, use of systems where sensitive data is being processed and the use of KPIs is allowed (e.g. Salesforce). Plus we continue to work with the council to agree to more, where needed.





HEALTH AND WELLBEING

We recognize the benefits of a healthy workforce and adopt a holistic approach to the health and safety of our people.

We provide onsite support for employee fitness when possible, for example at our major campuses in Sydney, San Diego, and Singapore. We offer employee health and wellbeing programs that may variously include on-site blood pressure, cholesterol, and heart testing. Programs may include seasonal flu vaccinations, subsidized quit-smoking programs, screening for sleep apnea, confidential third-party counseling and referrals on stress and mental health issues, support for a gym membership, and in some jurisdictions, company-sponsored private health insurance.

Working environment

In most locations, we work in relatively small teams from well-appointed commercial premises. At our major campuses in San Diego, Singapore, and Sydney, we have been able to design and build collaborative and interactive environments that underpin our culture of quality, performance, and innovation. Field-based teams are supported through communication, monitoring, and other resources.

The buildings at the Sydney campus are designed to efficiently facilitate corporate and manufacturing teams' collaboration, thereby accelerating and improving product design, development, and manufacturing. The iconic Innovation Centre, with its narrow floor plate oriented towards the north, takes advantage of Environmentally Sustainable Design (ESD) principles.

We conduct periodic building environment assessments to measure and inspect the quality of lighting, air, water, and noise for the workplace. Our latest overall results were compared and concluded to be well within the relevant standards.



San Diego



Singapore



Sydney

Health and safety

We believe maintaining a physically safe and mentally healthy working environment is essential in supporting our people to deliver their best work. Our aspirational goal goes beyond the avoidance of harm and strives for our people to be healthier for having worked at ResMed. Our approach is to prioritize health and safety as positive contributors to innovation, continuous improvement, and business sustainability by focusing on making work easier which, in turn, makes work safer and more efficient. Our aspirational health and safety goal is for our people to be physically and mentally healthier; we pursue this goal by creating a safe environment that reinforces and recognizes safe behavior.

At a global level, four health and safety standards - the health and safety policy; roles and responsibility; risk management; performance and reporting - provide the framework upon which locally compliant and effective health and safety management systems are built. We resource our commitment using a business partner support model wherein accountability for health and safety lies with the local leaders. Our business partners create processes that are decentralized and focus on building local leaders' capability, autonomy, and accountability so they can appropriately manage health and safety through day-to-day functions.

We stay informed of our health and safety risk profile through the annually reviewed Operations Health & Safety Risk Register, our global performance scorecard, and our online incident reporting and risk management system. An incident escalation process provides visibility of all incidents involving medical treatment or impacting one of the four key operational risks. The findings of these escalated incidents are reviewed by the President of Operations for shared learnings and resetting of best practice risk control measures.

Our online reporting system promotes preventative reporting with 73% of all incidents captured in 2022 being without injury. Year-on-year reduction in the frequency rate of incidents involving lost time against a backdrop of a 40% increase in hours worked indicates an effective risk management system that is both responsive and resilient to an expanding scope of coverage and fluctuations in operational capacity. No fatalities have been recorded and our Operations Health & Safety Risk Register continually challenges the control measures implemented for all hazards with a catastrophic or major consequence, setting a target residual risk level of moderate or below (see Table 7).

Table 7: Injury rates

	2022	2021	2020
Fatalities	0	0	0
Lost time injuries	28	22	28
Lost time injury rate (Injuries per million employee hours)	1.74	1.91	2.66
Total recordable injury rate (per million employee hours)	3.86	4.42	5.88

Strategy for continuous improvement

There is still, and always will be, progress to be made. Our operations health and safety strategic plan sets out the major initiatives we will develop and implement to drive the continuous improvement of our safety culture and workplace. We have identified four areas of strategic focus underpinned by a framework of goals, initiatives, indicators for success, and guiding principles.

People

Every person in our global Operations team can help shape our safety culture. We aspire to build a culture where our people are encouraged to share their ideas and concerns about safety and challenge the way we work. We want to create a workplace where everyone feels free to stop what they are doing, or what others are doing, if they think that something is unsafe. We want more conversations about wellbeing and keeping each other safe.

Continuous improvement

We see safety as not merely the absence of negatives, but also of systematically understanding, enabling, and being focused on the positives that contribute to success. Our governance activities center on monitoring, verifying, and holding ourselves accountable to realizing these positives. Analyzing this collective data informs our decision-making, measures our performance, and generates insights that fuel innovation, business excellence, and continuous improvement. We want to continuously ask: How can we do it better?

Prevention

Our “Safety in Design” mentality places health and safety as a positive contributor to innovation, continuous improvement, and business sustainability. We use the safety hierarchy of control where the categories of elimination, substitution, isolation, and engineering are favored over administrative and personal protective equipment as a means to challenge the status quo, and transform the way we work to not only treat the risk but challenge the underlying vulnerability.

Systems

Safety is our responsibility, however, that doesn’t mean it needs to be a bureaucratic one. Our simple digital health and safety tools provide user-centric process flows and visibility for day-to-day safety management. Through concentrating on impactful activities, we eliminate redundant processes and standardize our best practice.

Managing health and safety

Our local health and safety management systems are integrated with our certified quality and environmental management systems, leveraging commonalities such as the learning management system, training, induction, document management, and integrating risk management activities for example emergency response, incident reporting, chemical, contractor, and change management processes.

To further support the management system framework provided by our four global health and safety standards, we have embarked on setting our internal best practice in the treatment of our common risks across operations. Through a process of reviewing industry standards and guidelines, evolving technology, research, and the practices of other organizations, we are capturing our internal best practice for benchmarking, analysis, and verification. Coinciding with the introduction of our new material handling equipment fleet in Sydney, we published our internal performance standard and guidance material for the best practice treatment of risks involving powered mobile machinery including forklifts, order pickers, electric pallet jacks, and elevating work platforms. This fleet update provided technological advances in system monitoring, safety features, enhanced user interfaces such as cameras and most notably a shift from lead acid batteries to lithium-ion technology.

Our sustained focus on protecting our people throughout the ongoing global pandemic with continuous development, refinement, and adapting of our pandemic response to fluctuating levels of threat and regulatory requirements across different regions. We successfully relocated our Singapore manufacturing operations from the facility in Loyang to our new facility located in Tuas. The move was conducted during a period of strict regulatory requirements aiming to prevent the transmission of the coronavirus such as wearing masks, maintaining social distancing between workgroups and contractors, and capacity limits of workers on site. The move was completed without injury.

Wellbeing

For over 30 years, ResMed has been committed to improving the quality of life and this naturally translates beyond our customers to include our people and their families. We recognize the benefits of a healthy workforce and adopt a holistic approach to the wellness of our people. We start with helping our people get a quality night's sleep to awaken and be their best through facilitating access to the very same products, services, and technology that benefit our customers. The programs vary around the world to suit the diagnostic and treatment pathways, but in essence aim to provide free equipment to our people and varying degrees of financial relief to immediate family members, close relatives, and friends.

Our internal Living Life Well wellness brand in the US includes all stages of health and wellbeing as equally important parts of a whole that we want to support and promote. We aim to be inclusive of not only different stages of wellbeing but also different approaches focused on the physical, emotional, financial, and social aspects of wellbeing. We complement our offerings with a comprehensive communication approach (utilizing townhalls, lunch and learns, webinars, videos, emails, websites, apps, AI, LCD screens, newsletters, posters, and mail campaigns) to reach our diverse workforce. We also partner with a medical insurer to offer customized and targeted programs designed to promote awareness, health and remove barriers. With a concierge-level support team, our people have access to:

- Enhanced coverage of sleep diagnostics and treatment
- Healthy Pregnancy, Health Baby incentive program
- Free preventive prescriptions for asthma, diabetes, high blood pressure, heart disease, and osteoporosis
- Free online physical therapy with a customized recovery program and access to a health coach
- Free digital health program, that provides personal support for those at risk for type- 2 diabetes

- Chronic Condition coaching to help those with serious health conditions
- Lifestyle Management coaching programs focused on stress and nutrition

ResMed partners with Lifeworks to provide a comprehensive, company-funded global Employee Assistance Program (EAP) offering free local, expert mental health support for our people and their immediate families through one-on-one support, seminars, online courses, crisis intervention services, and workplace emergency response. The program is to emphasize our focus on the importance of mental health and help remove the stigma too often associated with acknowledging and asking for the help we need.

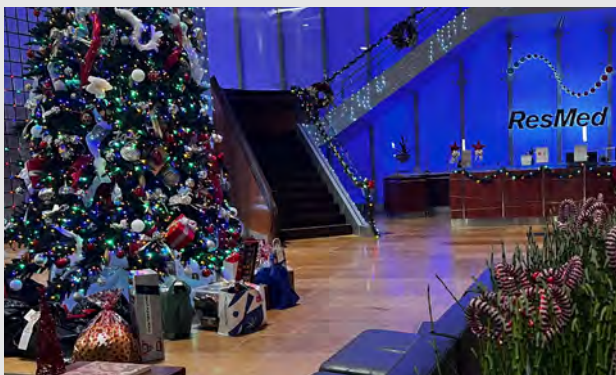
Additionally, in our Asia Pacific region, we have a coaching program: Uprise to help monitor, build and practice the skills in maintaining good mental health for voluntary participants. In Australia and New Zealand, we also have access to VIVO by MLC Life Insurance providing access to a global medical network of specialists for a medical second opinion and specialist care to guide those through the diagnostic and treatment pathways where a mental illness is indicated.

We have a variety of tailored programs and wellness facilities to address the wellbeing needs of our diverse workforce such as:

- Corporate fitness centers
- Walking trails
- Cafeterias that offer fresh and healthy meal options
- Relaxed areas for coffee, ping pong, pool tables & gaming spaces
- Mothers' rooms providing a secure and comfortable space
- Free Flu vaccinations
- Wellness initiatives that raise awareness and help people 'know my numbers' such as blood pressure, cholesterol, glucose, and heart health
- Subsidized or free quit-smoking programs and smoke-free campuses
- Lunch and learns with doctors and health experts
- Meditation classes
- Gym discounts or reimbursement
- Executive health assessments
- Financial wellness tools and education and retirement essentials
- On-site physiotherapy
- Tuition reimbursement
- Corporate entry to sporting, theater, and community events
- Support for health awareness-raising initiatives such as RUOK? Daffodil Day, Wear Red for Heart

With the COVID-19 pandemic, we have pivoted many offerings to virtual formats, expanding our reach across time zones and countries allowing us to offer live and recorded sessions, ranging from instructor-led cardio classes, to sound therapy and ergonomics to reinforce the importance of making time for wellness and increasing collaboration as people make different connections through wellness.

We also recognize the importance connecting to the community plays in fostering well-being. We have many passionate team members who support a variety of organizations and causes such as American Heart Association, Breast Cancer Awareness, ALS, Pedal the Cause, Salvation Army Giving Tree, food banks, and many local efforts to support first responders, healthcare workers, and those impacted by disasters.



WE SUPPORT A VARIETY OF ORGANIZATIONS AND CAUSES SUCH AS SALVATION ARMY GIVING TREE AND OTHERS

Employee turnover

We experience a relatively low turnover of production and warehousing employees, with a turnover of professional employees closer to comparison indices. Periodic organizational change in the form of acquisitions and structural business change may affect turnover rates.

Table 8: Staff voluntary turnover, % of total

	2022*	2021	2020
Global	16.00%	10.70%	8.55%
Americas	20.38%	13.20%	10.60%
Asia-Pacific	15.95%	9.39%	7.56%
Europe	13.80%	8.82%	6.83%

*total employee turnover reported in 2022, voluntary turnover reported in 2021 and 2020

From time to time, we need to reorganize our business to ensure we remain competitive. While this may involve moving activities and roles from one place to another or closing facilities, we always take a strategic workforce planning approach to reorganization or restructuring. We consider all possible alternate redeployment options before progressing with any resizing or redundancies in our teams. We follow all regulatory requirements and manage the process with as much sensitivity as we can for those impacted, and prioritize respect, integrity, and fairness toward all employees throughout the process from conception through implementation. We do all we can to support what is right by our people, both those leaving and remaining, while maintaining confidentiality. In many countries, we offer outplacement services as part of the restructuring process.

Human rights

People

We believe maintaining a physically safe and mentally healthy working environment is essential in supporting our people to deliver their best work. We rely on global standards to provide the framework for our locally compliant, integrated and effective health and safety management systems which enable the capability, autonomy, and accountability of the leaders to manage local sites. Our approach is to prioritize health and safety as positive contributors to innovation, continuous improvements and business sustainability by helping make work easier, which in turn makes work safer and more efficient.

Supply chain

Of the numerous raw materials, parts, and components purchased for assembly of our therapeutic and diagnostic sleep disorder products, many are available from multiple vendors. We also purchase uniquely configured components from various suppliers, including some who are single-source suppliers for us. We generally manufacture to our internal sales forecasts and fill orders as received.

Identifying and assessing supply chain risks

Over the last year, we continued using the existing solutions that were introduced in prior reporting periods and strengthened the actions we take to assess our modern slavery risks through a risk-based approach focusing on onboarding suppliers, monitoring suppliers, improvements to our annual supplier questionnaire, and gap analyses. Details of our key tools and actions during the reporting period are set out below:

- Verifying new suppliers and monitoring existing ones using a third-party analytics intelligence platform for economic sanctions and Adverse Media Events (“AME”) relating to social responsibility, including human rights, discrimination, workforce disputes, and health and safety issues.
- Issuing annual risk questionnaires to select suppliers, tracking completion, and following up for additional information if necessary.
- Mapping and monitoring our manufacturing supplier network in real time using a third-party artificial intelligence machine learning platform to identify events that may indicate risks of modern slavery.

Addressing risks

Over the last year, we continued our existing actions from prior reporting periods, and enhanced our actions, to address risks of modern slavery, focusing on upskilling our employees through awareness and training and policy enhancements. Details of our key tools and actions during the reporting period are set out below

- Our **Code of Business Conduct and Ethics** (“Ethics Code”), applies to all ResMed employees globally and contains provisions to protect employees’ freedom of association and right to work in a harassment-free work environment. The Ethics Code requires all employees to: uphold ResMed’s corporate values; comply with all applicable laws and regulations; and, report any known or suspected violations via the Ethics Hotline. Failure to comply with the Ethics Code may result in disciplinary action up to and including termination of employment.
- ResMed has a Whistleblower Policy which allows for employees, suppliers and workers of suppliers (amongst others) to raise issues with ResMed directly. All employees and other relevant disclosers are encouraged to feel confident about raising their concerns by providing access to a reporting and investigative mechanism that is objective and confidential, where they know that they are protected from reprisal for doing so.
- An **Ethics Hotline**, by which employees and other relevant disclosers can report a breach or suspected breach of ResMed policies to any eligible recipient. The hotline is managed by an independent third party and is accessible 24 hours a day, seven days a week, with translators available when necessary.
- Ongoing **risk-based training and awareness initiatives** to relevant employees about the risks of modern slavery.
- **Global Third Party Code of Conduct**, which replaced and strengthened the existing Supplier Code of Conduct during the reporting period. ResMed’s Global Third Party Code of Conduct sets out ResMed’s expectations for distributors, business partners, suppliers, advisors, and other third parties registering, promoting, selling, and marketing ResMed products and services, or otherwise interacting with government officials, health care professionals, or others on ResMed’s behalf. It

clearly sets out our expectation of our Tier 1 Suppliers to comply with a range of modern slavery laws, and expressly prohibits slavery in any of ResMed's suppliers' supply chains, or in any part of their business. Suspected, or known, violations of the code can be reported via the Ethics Hotline.

- A new internal **Global Procurement Policy** to be used in conjunction with the existing Supplier Code of Conduct. It applies to all ResMed employees and expressly requires ResMed's procurement activities to meet ResMed's expectation that suppliers disclose information to support our public statements on modern slavery. The Global Procurement Policy also expressly requires use in conjunction with the ResMed Global Third Party Code of Conduct, which expressly prohibits modern slavery as described above.
- **Supplier Manual**, which requires suppliers to comply with labor and employment laws, including prohibitions against child labor, prison labor, slave labor or any other form of forced or involuntary labor, and requests suppliers to acknowledge that they comply with the United Kingdom's Modern Slavery Act and the Australian Modern Slavery Act. ResMed takes failure to comply with any part of the Supplier Manual seriously and may take consequential actions including removal of suppliers from ResMed's approved supplier list in the event of non-compliance with any part of the Supplier Manual.
- **Standard Supply Terms**, which prohibit suppliers from using child labor, prison labor, slave labor, or any other form of forced or involuntary labor; require suppliers to comply with applicable laws relating to wages, hours and conditions of employment, and occupational health and safety; and require the same from their sub-contractors.
- **Independent third-party subject matter expert** reviews of all clauses within our existing codes and terms that address modern slavery, as well as a clause library to empower our internal legal team to take a risk-based approach to selecting appropriate clauses to address modern slavery when negotiating contracts with third parties.

A group of people, including a man and a woman, are standing in a field at sunset. The man is wearing a white glove on his right hand, and the woman is wearing a white glove on her left hand. They are both smiling and looking towards the camera. The background is a warm, golden sunset with trees in the distance.

COMMUNITY

Our community contributions reflect our mission to improve millions of lives worldwide through the treatment of chronic diseases like sleep apnea, COPD, asthma, and other chronic diseases, plus improved management of consumers benefiting from out-of-hospital care. We work with “healthcare ecosystem” participants to create opportunities that enable access to the care, technology, and services needed for all people at the right time. This means we conduct relevant research, engage with and support communities as a trusted partner through unwavering commitment.

Contributions to health

Our core business is improving people's health and wellbeing by treating their sleep apnea, COPD, asthma, or other chronic conditions. Our community efforts include how we impact the healthcare community and how we impact our local communities. Our corporate giving, diversity and inclusion, and industry and advocacy work contribute to sustainable community impact.

CARDIOVASCULAR DISEASE
TYPE 2 DIABETES
COPD
TRANSPORT SAFETY
PERI-OPERATIVE RISK



Industry and advocacy involvement

ResMed is committed to shifting healthcare systems from caring for the sick to focusing more on keeping people healthy and out of hospital by enabling all people to have access to the tools, technologies, and care they need at the right time. We work toward this future as a consistent supporter of clinical, scientific, patient, and industry organizations to help promote the social and economic benefits of healthcare-related products, solutions, and services that are evidence-based and clinically relevant, as well as policies and programs that enable sustainable healthcare ecosystems.

This includes conducting relevant research using innovative approaches with inclusion in mind, harnessing the power of data insights to identify gaps in care and health disparities, diversifying our clinical trial populations, forging partnerships with organizations focused on health equity, participating as a thought leader in health and tech forums, and publishing position papers that promote health equity.

Listed below are some of the global advocacy groups we work with:

- ABHI The Association of British HealthTech Industries
- AdvaMed Advanced Medical Technology Association
- American Association for Home Care
- American Health Care Association
- APACMed Asia Pacific Medical Devices Association
- Council for Quality Respiratory Care
- CTA Consumer Technology Association
- DigitalEurope Digitally Transforming Industries
- HIMSS Healthcare Information and Management Systems Society
- MDIC Medical Device Industry Consortium

- MedTech Color
- MedTech Europe European Trade Association for Medical Technology
- National Association for Home Care and Hospice
- National Association for the Support of Long Term Care
- SNITEM French National Union of Industry and Medical Technologies
- SPECTARIS German Industry Association for Optics, Photonics, Analytical and Medical Technologies

Chronic disease awareness

We continue to raise awareness through market and clinical initiatives of the increasing link between the potential effects that sleep apnea, COPD, asthma, and other respiratory conditions can have on one another as well as on other chronic conditions such as cardiovascular disease, stroke, high blood pressure, obesity, and diabetes:

- **Cardiovascular disease.** Clinical research has demonstrated a high prevalence of sleep apnea in cardiology patients and has suggested that it may increase the risk of developing cardiovascular disease and heart failure. The European Society of Cardiology, the American College of Cardiology, and the American Heart Association acknowledge the high prevalence of sleep apnea in heart failure cases and have recommended treatment with various modes of positive airway pressure or PAP therapy to treat patients' sleep apnea. Further studies have highlighted this importance, showing the worsening of long-term outcomes in patients with heart failure and sleep apnea, and that treating sleep apnea may improve these outcomes.¹
- **Type 2 diabetes.** The International Diabetes Federation strongly recommends health professionals treating a patient for either type 2 diabetes or sleep apnea should also consider the presence of the other condition.² The American Association of Clinical Endocrinologists' guidelines for a comprehensive diabetes care plan recommend sleep apnea screening for adults.³ Other research reported treating patients with both type 2 diabetes and obstructive sleep apnea with CPAP leads to significantly lower blood pressure and better-controlled diabetes while saving money spent on healthcare resources.⁴
- **Chronic obstructive pulmonary disease (COPD).** Published research has shown the use of non-invasive positive pressure ventilation can significantly improve the survival of stable hypercapnic COPD patients while also improving health-related quality of life.⁵ There is also a hospital readmission burden following an acute exacerbation of COPD and the use of non-invasive positive pressure ventilation has been shown to significantly reduce this as well.⁶
- **Transport safety.** One of the largest measurable emerging contributions to community health that we are making is in the link between sleep apnea and occupational safety, in particular transport safety. In a ResMed- sponsored study of 22,000 members of the Union Pacific Railroad health plan published in Population Health Management, findings suggest that a low-cost, patient-focused sleep apnea education campaign can improve healthcare outcomes and reduce medical expenses. After the campaign was initiated, the healthcare plan realized cost savings of US\$4.9 million over two years.⁷
- **Peri-operative risk.** Over 80% of those with sleep apnea remain undiagnosed⁸. The incidence of postoperative complications of surgery in undiagnosed obstructive sleep apnea patients is significant, making screening before surgery for high-risk patients necessary.⁹ Meta-analysis of the association between obstructive sleep apnea and postoperative outcomes showed the incidence of respiratory failure, cardiac events, and intensive care unit transfers was higher in patients with obstructive sleep apnea.¹⁰

We expect studies underway or planned for the future to provide further evidence that treating sleep apnea and other respiratory insufficiencies can improve mortality and morbidity, quality of life, and also healthcare cost utilization in relation to these patients. In some of these studies, we also work directly with payers and clinically integrated delivery networks to understand how their costs and outcomes may be impacted by patients with undiagnosed or untreated sleep apnea within their population.

- 1 Damy T et al. Prognostic impact of sleep-disordered breathing and its treatment with nocturnal ventilation for chronic heart failure. *Eur J Heart Fail.* 2012 Sep;14(9):1009-19.
- 2 Shaw JE et al. Sleep-disordered breathing and type 2 diabetes: a report from the International Diabetes Federation Taskforce on Epidemiology and Prevention. *Diabetes Res Clin Pract.* 2008 Jul;81(1):2-12.
- 3 Handelsman Y et al. American Association of Clinical Endocrinologists Medical Guidelines for clinical practice for developing a diabetes mellitus comprehensive care plan: executive summary. *Endocr Pract.* 2011 Mar-Apr;17(2):287-302.
- 4 Guest JF et al. Clinical outcomes and cost-effectiveness of continuous positive airway pressure to manage obstructive sleep apnea in patients With type 2 diabetes in the U.K. *Diabetes Care.* 2014 Apr;37(5):1263-71.
- 5 Köhnlein T et al. Non-invasive positive pressure ventilation for the treatment of severe stable chronic obstructive pulmonary disease: a prospective, multicentre, randomized, controlled clinical trial. *Lancet Respir Med.* 2014 Sep;2(9):698-705.
- 6 Galli J et al. Home non-invasive ventilation use following acute hypercapnic respiratory failure in COPD. *Respir Med.* 2014 May;108(5):722-8.
- 7 Potts KJ et al. Cost savings associated with an education campaign on the diagnosis and management of sleep-disordered breathing: a retrospective, claims-based US study. *Popul Health Manag.* 2013 Feb;16(1):7-13.
- 8 Young T et al. Estimation of the clinically diagnosed proportion of sleep apnea syndrome in middle-aged men and women. *Sleep* 1997 Sep;20(9):705-6.
- 9 Kaw R et al. Meta-analysis of the association between obstructive sleep apnoea and postoperative outcome. *Br J Anaesth.* 2012 Dec;109(6):897-906.
- 10 Iftikhar IH et al. Meta-analysis: continuous positive airway pressure improves insulin resistance in patients with sleep apnea without diabetes. *Ann Am Thorac Soc.* 2013 Apr;10(2):115-20.

Privacy and data protection

Values and our approach

Trust is an important value between ResMed and our stakeholders, including customers, users of our products and solutions, employees, and business partners. We take significant measures designed to protect the data we process for them. Our approach to data protection includes data governance, privacy, security, and compliance.

ResMed is committed to respecting human rights, including the right to privacy. At ResMed, we design our products and services with security and privacy by design principles in mind. We strive to give users of such products and services more transparency and control over their data. Furthermore, ResMed invests in and prioritizes information security and privacy programs. This investment allows us to unlock the value of de-identified data and use insights to help patients, providers, physicians, and payers. Additionally, ResMed has implemented a range of administrative, technical and organizational measures to provide assurance that personal and sensitive data entrusted to us will be protected and processed legally and ethically.

Regulations, standards, and certifications

ResMed processes sensitive personal health data for residents of over 140 countries. Regulations governing our protection of customer data (including sensitive data) include but are not limited to the U.S. Health Insurance Portability and Accountability Act (HIPAA), as amended by the Health Information Technology for Economic and Clinical Health Act of 2009 (HITECH), the European General Data Protection Regulation (GDPR), the UK General Data Protection Regulation, China Personal Information Protection Law (PIPL), the Japanese Act on the Protection of Personal Information (APPI), Brazil General Data Protection Law (LGPD), the California Consumer Privacy Act (CCPA), the California Privacy Rights Act (CPRA), and the Australian Privacy Act. While these jurisdictions cover the majority of personal data processed by ResMed, there are other data protection regulations that we monitor and include, as appropriate, in our privacy and security programs including consumer protection laws and guidance issued by regulators. The goal of investing in and maintaining security certifications is to give assurance to our stakeholders. Two valuable certifications ResMed recently earned are HITRUST certification in the US and ISO27001 / ISMS in Europe.

ResMed continues to make material investments in the people, processes, and technology controls in place for its Information Security and Privacy team functions. The design and effectiveness of these controls for systems hosting material amounts of sensitive personal health data include validation via a Service Organization Control (SOC-2) report, a Japanese P-Mark certificate, the French Hébergeurs de Données de Santé (HDS) or Health Data Hosting certificate, and the United Kingdom National Health Service Data Security and Protection Toolkit (DSPT) online self-assessment (with governmental spot audits).

Security and privacy culture

ResMed believes privacy and data protection are a shared responsibility across the entire company. ResMed provides its staff with security and privacy training and tools to be security and privacy aware including annual security and privacy trainings, as well as user awareness campaigns. Information sharing is in place to ensure all ResMed staff have access to current and helpful knowledge to help keep data and systems secure and compliant. All staff can raise any security and privacy issue and questions with our chief information security officer, and our chief privacy officer, respectively. When we become aware of a potential data security incident, a privacy incident or both, we conduct prompt investigations and analysis, and determine what steps to take in response, including to provide notifications in a timely manner when required by law.

OUR APPROACH TO DATA PROTECTION INCLUDES DATA GOVERNANCE, PRIVACY, SECURITY, AND COMPLIANCE.



Investment in data protection technology

Security and data protection investments are based on a comprehensive risk management program which supports prioritizing measures that result in meaningful data protection (security, privacy, and compliance). Security risks are monitored, reviewed, prioritized and managed. Security risk reviews are in place for critical vendors to ensure they have the security and data privacy capabilities and controls to protect data and systems as well. Our vendors are also obligated to protect data entrusted to us via our contractual terms.

To ensure security controls meet stringent standards ResMed conducts third-party security and privacy assessments, and any findings are captured, and remediation is prioritized via the risk management program.

Incident prevention is a primary goal of the information security team, with a particular attention to confidentiality, integrity, and availability. ResMed has a mature security incident response program comprised of policies, standards, training, and testing.

Core to the ResMed security program are sophisticated technology solutions. Industry leading measures include advanced monitoring, network protection tools such as internal and external firewalls, network intrusion detection and prevention, penetration testing, vulnerability assessments, threat intelligence, anti-malware and access controls. The controls have contributed to ResMed not having a material security event between 2020 and 2022.

As a provider of medical software, we have a well-established global product security team that provides mature processes and capabilities which the company relies on to deliver secure applications. The shared responsibility model is reinforced via the Security Champion program where representatives from across the organization converge to focus on securing the code, the solutions, and the data. From the application design phase to operating our systems in production, security is baked into the culture of our teams.

Beyond securing our applications, we undertake great effort to secure the environment our applications run in, and increasingly this involves best-in-class cloud security principles. We have a sophisticated governance platform that enables security by default configurations for our cloud-based solutions. Standard secure environment templates are used for cloud applications and exceptions get scrutinized closely for compliance with our security standards. We partner with third parties to perform regular cloud configuration security assessments.

The ResMed Information Security program team publishes a sample of the controls we utilize across ResMed and subsidiary companies to defend against threats and mitigating risks. These can be viewed [here](#).

ResMed also has implemented a responsible disclosure program to report vulnerabilities within the scope of the program. Terms and conditions for this program can be viewed [here](#).

Governance

The protection and processing of our customers' data is overseen by a chief information security officer (CISO) reporting to the chief executive officer, and a chief privacy officer (CPO) reporting to the chief administrative officer and global general counsel. The Board of Directors and the Audit Committee review reports on data security and privacy matters and discusses them with upper management. The CISO reports on the security program at least annually to the full Board of Directors and the CPO reports at least annually to the Board Audit Committee. Formal obligations are set by our employee and contractor contracts, our Code of Business Conduct and Ethics, our IT Information Security Policy, and other internal policies and training.

Our Privacy notices are published online. Versions applicable to the United States of America can be viewed [here](#). Versions for other countries can be found [here](#). Information Security news and alerts can be viewed [here](#).

Volunteering and fundraising for our communities

Our contributions to our local communities are made in both monetary contributions and the time and championship of our employees. In three countries where we operate, ResMed gives our people two days of paid time off each year to volunteer for the personal cause of their choice. While we encourage ResMedians to volunteer, how they choose to donate their time is at their discretion and may not reflect the values of the company. In countries without formal Volunteer Time Off policies, many teams volunteer together during work hours as bonding activities.

The causes our employees volunteer their time with range from animal rescue to mentorship and from scout leadership to mental health counselling. Several ResMedians volunteered to support local healthcare professionals with COVID-19 testing, registration and more. Other ResMedians have led food bank drives or invested time in the ongoing support of girls in STEM education where our team members guided the mentees through real-world problem solving at the intersection of technology and healthcare. We also had members from 10 countries join a global effort to walk, run, ride, cycle, hike, paddle, and more to raise money for cancer research.

We have many Giving Champions throughout the world, leading the way on causes important to them and their community. We support our Giving Champions by sponsoring teams, offering donation match campaigns, and sharing their stories on our global platforms to spread awareness internally and externally.

We care deeply about all ResMedians and their surrounding communities, especially those impacted by global crises. ResMedians stepped up during rising global tensions to support those affected by the Ukraine crisis through volunteer efforts, device donations to the front lines, and a global company matching program, through which employees and ResMed partnered to donate over \$25,000 to a reputable non-profit organization supporting the most vulnerable. Many of our employees embodied ResMed values and took initiative to help those in need. Our European teams and their families in France, Germany and Poland went above and beyond to support needs close to home: collecting necessities and hygiene kits to distribute to refugees (e.g. medicines, first-aid items, blankets, back packs, non-perishable foods) and even providing accommodations for those in need.

We are proud of and committed to caring for our communities around the world, led by our giving Champions.

As a company, we engage with a large number of community organizations, as do our individual team members, particularly with local educational and scientific organizations. We have committed significant time and donated over US\$1.5M to global community organizations and academic institutions: see Table 10.

WE COMMITTED SIGNIFICANT TIME AND DONATED NEARLY \$1.5 MILLION IN 2022



We focus on taking care of our communities, developing our industries, and reducing barriers to healthcare. Part of this care and support comes from within our Diversity & Inclusion (D&I) program and its Employee Resource Group (ERG) objectives for community outreach. This year, several ERGs continued to expand their footprint in their respective communities, through mentorship, STEM support and recruiting opportunities.

- Our group for LGBTQIA+ and friends, organized a donation and education campaign as part of the global 'Wear it Purple' Day initiative, focused on standing together with the LGBTQIA+ community.
- Our Veterans ERG plugged into local, U.S. veteran communities, sponsoring events focused on transitioning from the military into the civilian workforce, writing letters to veterans and building dental hygiene kits. Some of our women ERGs came together and built hygiene kits for women in

need as well. These initiatives were made possible by partnering with Visit.org that created these virtual give back opportunities while supporting local non-profits. The Veterans ERG also participated in a Military Fair in San Diego, California.

- The ERG for our Hispanic and Latin community supported the San Diego Latin Film Festival for the second year in a row, providing resources for efforts in the arts to continue raising awareness and impact. The ERG staffed a table at the Film Festival to showcase ResMed job opportunities and products. The group also partnered with the national STEM focused female organization Latina Geeks. We gave a presentation on sleep apnea and created opportunities for mentorship and partnership with the community.
- Members of our Black and African American ERG supported an elementary school drive in Atlanta, Georgia and came together to provide school supplies.
- The D&I team supported DisabilityIN's mentorship program, encouraging many ERG members to mentor students of different abilities. This was a six-month mentorship program that helped university students through the job search and interview phase during their last year. The team also supported Our Lady of Peace (OLP) High School in San Diego - focusing on STEM education for girls - for the second year in a row. ResMed's continued support in this space speaks to our commitment to building and inspiring the future pipeline of women in STEM. To read more about our D&I initiatives, please visit the D&I section.

Table 10: Global Community contributions, in USD per Fiscal Year

	2022	2021	2020	2019
Corporate Giving	\$665,235	\$922,267	\$1,011,690	\$1,420,441
Foundation Funding	\$830,000	\$800,000	\$800,000	\$600,000
Total	\$1,495,235	\$1,722,267	\$1,811,690	\$2,020,441

Government contributions

Our total tax paid is summarized in Table 1 on page 6. We note the cost of medical care, including the use of our products in many of the countries in which we operate, is funded in substantial part by government and private insurance programs.

Anti-trust behavior

No government enforcement action has been taken against ResMed for any alleged violation of any antitrust or competition regulation in this reporting period.

In the United States, our largest geographic market, historic competitors for the sale of products used to treat sleep apnea have been: Philips, which acquired previous competitor Respiroics Inc., and Fisher & Paykel Healthcare Corporation Limited. These firms have also been our principal international competitors for the sale of flow generators and masks for the treatment of sleep apnea. The markets for our products are highly competitive with the growth of smaller competitors like React Health/BMC and ResVent in the United States, and the expansion of Lowenstein Medical Products from Europe. Additionally, our sleep products compete with surgical procedures and dental appliances, as well as emerging technologies like implanted nerve stimulation, neuromuscular stimulation, pharmaceuticals, and other potential treatments of sleep apnea and related respiratory conditions.

ResMed also sells ventilators, high-flow cannulas, and other respiratory accessories, as well as software-as-a-service solutions – all in smaller quantities than our sales of sleep apnea treatment devices, masks, and related accessories. Those products also face vigorous competition from other companies.



GOVERNANCE

Our corporate governance principles outline how we hold ourselves accountable to shareholders and other stakeholders. These principles address the operation of our board and its sub-committees, strategic and succession planning, and director qualifications.



Corporate governance

Our board has adopted corporate governance guidelines to assist in exercising its responsibilities in accordance with our constitution and all applicable laws and regulations. These include the regulations of the U.S. Securities and Exchange Commission (SEC) and the rules of both the New York Stock Exchange (NYSE) and the Australian Securities Exchange (ASX), on which ResMed is listed.

The guidelines are posted on our investor website, investor.resmed.com. Our board will continue to evaluate its governance structures as ResMed's business evolves to ensure that we manage the business for the long-term interests of our shareholders and other stakeholders. A more detailed review of our governance is provided in our annual [proxy statement](#) to shareholders, issued under section 14(a) of the U.S. Securities Exchange Act.

Governance structure

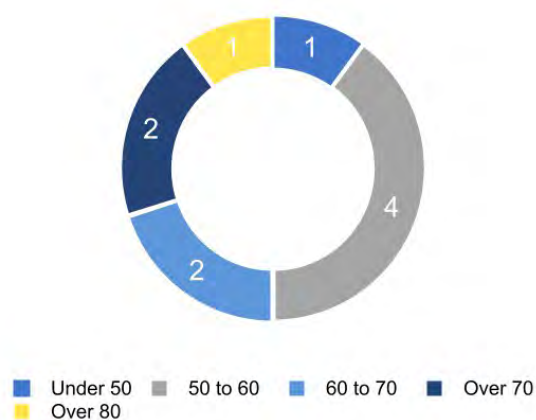
ResMed is governed by a board of 10 directors and through four standing board committees: Audit (5 directors), Compensation (4 directors), Compliance Oversight (4 directors), and Nominating and Governance (4 directors). Each committee is composed of independent directors.

Michael ("Mick") Farrell has served as ResMed's chief executive officer and a member of the board of directors since March 2013 (Note: Mick Farrell was appointed chair of the board in January 2023, after the reporting period for this ESG report ended.). Also in March 2013, Robert ("Rob") Douglas was simultaneously appointed as ResMed's president, in addition to his continuing role as chief operating officer. Our founder, Dr. Peter Farrell, was our non-executive chair of the board through the reporting period for this ESG report, in January 2023 Dr. Farrell became chair emeritus. Ronald ("Ron") Taylor serves as our lead independent director.

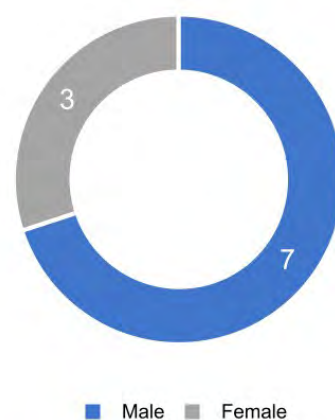
Our board members have a variety of backgrounds, which reflects our continuing efforts to achieve a diversity of viewpoints, experience, and knowledge, as well as ethnicities and genders. Our board includes three female directors and three directors from diverse backgrounds. The following tables provide information regarding the age, gender, tenure, and overall diversity of our directors:

Age, gender, tenure, and diversity of our board

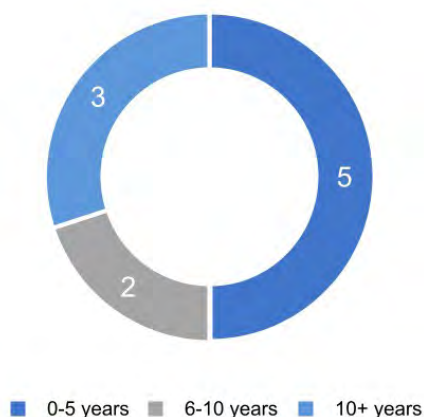
Age distribution



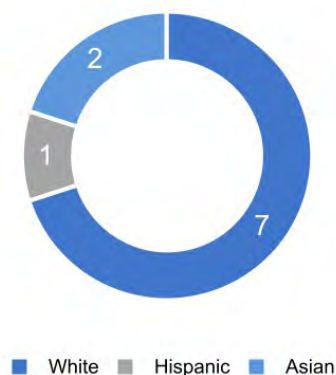
Gender diversity



Tenure



Overall diversity



Board independence

Eight of our ten board members are independent under the listing standards of the NYSE, with no material commercial or personal relationship with ResMed that would impair their independence. Currently, our independent directors and their tenures are as follows: Mr. Rich Sulpizio and Mr. Ron Taylor since 2005; Ms. Carol Burt since 2013; Ms. Karen Drexler since November 2017; Ms. Harjit Gill since November 2018; Mr. Jan De Witte since May 2019, and Dr. John Hernandez and Dr. Desney Tan since November 2021.

Our directors have diverse backgrounds and perspectives that enable them to provide valuable guidance on strategy and operations. They have extensive leadership experience, as well as corporate governance expertise arising from service on other public company boards. Many have global business experience, as CEO or in other senior corporate leadership positions involving management of complex operations, business challenges, risks, and growth. One currently resides and works outside the U.S., and several others have done so in the past, providing valuable perspectives on our global business environment. All have experience with medical device, technology or product innovation and development, entrepreneurship, and the dynamics of our industry. Our directors have demonstrated involvement in their communities, having contributed to social causes through nonprofit organizations or philanthropy.

Our board is transitioning to annual elections for all directors. Previously, the board was divided into three classes, with each class elected to serve a three-year term. Beginning with the 2020 annual meeting, directors standing for election are elected for one-year terms. Directors elected to three-year terms in 2019, before the 2020 annual meeting of stockholders, completed those terms in 2022, and will move to annual elections. As of the 2022 annual meeting of stockholders, the entire board is elected annually.

There is no limit to the number of terms a director may serve, nor a set retirement age. The board has adopted a majority voting policy, under which an incumbent director who does not receive a majority of votes for re-election must tender a resignation to the board. The Nominating and Governance Committee, or another duly authorized committee of the board, will decide whether to accept or reject the tendered resignation, generally within 90 days after the election results are certified.

The chair of the board's Nominating and Governance Committee (currently Ron Taylor) also serves as our lead director. The lead director presides over meetings of our independent directors (generally held each quarter), acts as a liaison between the independent directors and chair, communicates with stockholders as appropriate, and fulfills other duties that support sound corporate governance.

Under our corporate governance guidelines, directors have direct access to company management to secure the information they need for their duties.

Board performance

Our board's Nominating and Governance Committee has the delegated purposes of:

- Assuring that the composition, practices, and operation of our board contribute to lasting value creation and effective representation of our stockholders; and
- Assisting in selecting board and committee members, committee selection and rotation practices, evaluating the board's overall effectiveness, and reviewing and considering developments in corporate governance practices.

The committee oversees an annual formal review of these matters, concentrating on the performance of the board as a whole, as well as that of individual members. The Nominating and Governance Committee follows a process of regularly reviewing board composition and board refreshment, with a long-term perspective, and maintains a database of desired director skills and experience. In each of the three fiscal years 2018, 2019, and 2020, we replaced one of our longest-serving independent directors with a newly elected director, and in 2021 we added two additional directors. The committee believes the independent directors now represent an appropriate balance of tenure. The performance of directors who are seeking re-election at the end of their three-year term is ultimately reviewed by stockholders through their votes at the annual stockholder meeting. Our independent directors review the performance of the chief executive officer at least annually.

Board and executive remuneration

Our board's Compensation Committee reviews cash compensation, benefits, perquisites, and equity compensation of directors and executives, including target and actual short-term incentives.

The committee's in-depth review of director and executives' compensation is published in our [proxy statement](#) to stockholders before ResMed's annual general meetings. The principles governing our executive compensation program include:

- **Pay-for-performance.** Pay-for-performance, alignment with stockholder interests, and largely at-risk compensation are the cornerstones of our compensation program. A significant portion of our executives' compensation is at-risk and tied to the achievement of pre-established short-term corporate financial objectives through our annual cash incentive programs that our corporate officers earn based on achieving our corporate goals for adjusted net sales and adjusted operating profit, weighted equally. These two measures represent fundamental financial metrics: top-line sales, and bottom-line profit. Our executives in charge of a business unit have 60% of their incentive opportunity tied to achieving set goals for the same metrics at the business unit level and the remaining 40% tied to the corporate goals. All payouts are determined in accordance with these objective performance metrics. For fiscal year 2022, named executive officer payouts ranged from 96.07% to 112.62% of target cash incentive opportunity, with no discretion applied to the amount paid, reflecting our strong performance.
- **Provide market-competitive cash compensation.** Our objective is to provide a target total compensation program that is competitive with similarly sized U.S.-based public companies in the medical device and medical technology industries with which we compete for executive talent. The committee reviews benchmark data for the individual and the group as a whole but does not target a specific benchmark level. During Fiscal year 2022, the committee used a broad guideline for total target cash compensation to our CEO at the 60th-70th percentile of our US peer group; and determined that total target compensation should reflect a relatively lower emphasis on salary and a higher percentage of pay at risk in the form of an annual cash incentive. The committee's target cash compensation guidelines are broad, to better recognize individual situations, and to reflect the fact that our market capitalization and operating income for fiscal year 2022 are similar percentiles within our US peer group.

- **Make informed decisions.** The committee has retained FW Cook, Inc., an independent compensation consultant, to advise the committee with respect to compensation matters for executive officers, and to perform a comprehensive market analysis of our executive compensation program, pay levels, and relative operating performance. FW Cook performs no work for us other than providing executive compensation consulting services to the committee.
- **Stockholder approval.** At our annual stockholder meetings in 2020, 2021, and 2022, our stockholders approved, on an advisory basis, our executive compensation with the following shares voted in support:

	2022	2021	2020
Votes “for” say-on-pay, as a percentage of total shares, voted	89.94%	88.85%	91.33%

THE BEST PROTECTION OF INTEGRITY IS TO INSTILL A CULTURE THAT VALUES HONESTY AND ETHICS: DOING WHAT’S RIGHT EVERY DAY; RELYING ON OUR PEOPLE’S GOOD JUDGMENT AND SENSE OF FAIRNESS; REPORTING UNETHICAL BEHAVIOR; AND TAKING APPROPRIATE ACTION.



Risk and ESG oversight

While our full board retains general risk oversight, our board committees oversee particular risks, periodically updating the full board. The primary risk responsibilities for the committees are:

Audit Committee	Overseeing financial risk, capital risk, financial compliance risk, code of conduct, ethics and legal compliance, and internal controls over financial reporting.
Compensation Committee	Overseeing our compensation philosophy and practices and evaluating the balance between risk-taking and rewards to senior officers.
Compliance Oversight Committee	Overseeing compliance with U.S. federal healthcare laws and regulations, and specifically obligations under the corporate integrity agreement we reached in 2019.
Nominating and Governance Committee	Evaluating each director’s independence, evaluating the effectiveness of our corporate governance guidelines, and overseeing management’s succession planning.

Oversight of general business risks, including but not limited to material environmental and social risks, is retained by the full board. A company-wide business risk analysis is undertaken periodically by management.

The following ESG-related risks are among those that face the business:

- Government and private insurance plans may not adequately reimburse our customers for our products;
- Health care reform policies and legislation, including the U.S. Patient Protection and Affordable Care Act, and changes to the U.S. Food and Drug Administration (FDA) 510(k) process may have material adverse effects on our industry and our operational results; and
- Other changes to the global regulatory (including FDA, EU MDR, TGA, and others) quality, testing, cybersecurity, and privacy standards. Failure to comply promptly with those standards, may have an adverse effect on our business.

These are in addition to standard business risks such as threats from competition, fluctuations in currency exchange rates, the challenge of supporting continued growth and business acquisitions, disruptions to supply, and intellectual property claims (see our [latest annual report](#)).

Business integrity

The best protection of integrity is to instill a culture that values honesty and ethics: doing what's right every day; relying on our people's good judgment and sense of fairness; reporting unethical behavior; and taking appropriate action. All our directors, officers, and employees are nonetheless guided by our Code of Business Conduct & Ethics, which is published [on our website](#). The code summarizes the compliance and ethical standards we expect of our people, the procedures for any suspected breach, and the consequences of any substantiated breach. The code also constitutes ResMed's code of ethics under U.S. law and the New York Stock Exchange's listing standards. It deals with conflicts of interest; confidential information; fair dealing with customers, suppliers, and competitors; and compliance with financial reporting, insider trading, and other financial market regulations.

The code is not intended to be a comprehensive rule book and cannot address all situations that may arise. It provides contacts for the company's ethics compliance officer and our global general counsel should any employee require assistance beyond an immediate supervisor. Where permissible, we also have a toll-free hotline to an independent company for employees or others who want to speak up but prefer to remain anonymous. The code prohibits retaliation against any employee who has taken action in good faith to seek help on or report a suspected breach of the code.

Ethics and corruption

We are committed to a strong ethics and compliance culture. We do not tolerate actions or behaviors that are inconsistent with our values or violate the ResMed Code of Conduct or applicable laws and regulations.

The code insists on compliance with laws and regulations covering bribery and gratuities, political contributions, medical sales, and kickbacks. Under the code, client entertainment should not exceed reasonable and customary business practices where allowed, and in any case, employees should not provide entertainment or other benefits that could be viewed as an inducement to or a reward for customer purchase decisions. Facilitating and expediting payments are prohibited unless pre-approved by legal counsel.

All employees are required to undertake business ethics training relevant to their position and developed by our legal advisers, using our online Learning Management System facility where available and augmented by face-to-face training where it is not. Many positions receive additional guidance materials and competency training – for example, to ensure compliance with the U.S. Foreign Corrupt Practices Act, UK Bribery Act, and the Australian Competition and Consumer Act.

In many jurisdictions, compliance officers have been assigned and trained, and compliance guides published. We have appointed a global corporate compliance officer, who reports directly to our chief

executive officer, with an additional direct reporting line to the board's audit committee and corporate compliance committee. In certain jurisdictions, we also have appointed local compliance officers or local compliance committees.

We take seriously, investigate, and respond appropriately to any potential breaches of our code or of other obligations. Internal audits of compliance standards, processes, practices, behaviors, and outcomes continue throughout the business as informed by our enterprise-wide risk assessments with oversight from our board's Audit Committee. We revise the subject matter of audit and training as part of the annual planning for internal audit and our controls and compliance process, and additionally on the advice of our legal counsel and external advisers.

Political transparency

ResMed's Code of Conduct prohibits political contributions by the company or by employees on behalf of the company, except as approved in advance by the chief executive officer, and subject to review by the company's global general counsel. During fiscal year 2022, we did not make any political contributions.

Intellectual property

We rely on a combination of patents, designs, trademarks, trade secrets, copyrights, and non-disclosure agreements to protect our proprietary technology and rights. Some of these patents, patent applications, and designs relate to significant aspects and features of our products. We believe the combination of these rights, in aggregate, are of material importance to each of our businesses.

Through our various subsidiaries, as of the reporting period covered by this report (fiscal year 2022), we own or have licensed rights to over 9,100 patents and designs that are either granted, allowed, or pending. Patents and designs have various statutory terms based on the legislation in individual jurisdictions which may be subject to change.

Of our patents, 565 U.S. patents and 1,435 foreign patents are due to expire in the next five years. We believe that the expiration of these patents will not have a material adverse impact on our competitive position.



+9,100

WE OWN OR HAVE LICENSED
RIGHTS TO OVER 9,100 PATENTS
AND DESIGNS THAT ARE EITHER
GRANTED, ALLOWED, OR PENDING.

Appendix 1 – References to GRI core metrics

Sections	Page	GRI Disclosure Reference
Our approach to ESG: A message from our CEO	3	1; 2
Key ESG indicators	5	200s; 300s; 400s
ResMed in brief	7	1; 2
Locations and businesses	8	2
Administration, product development, and distribution	9	2
Manufacturing operations	9	2
Sales and marketing	9	2; 202
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Environment	13	300s
Our approach	14	300s; 400s
Group energy use and emissions	15	Voluntary
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Managing our electricity consumption	16	300s
Greenhouse gas emission	18	Voluntary
Resource efficiency and environmental Stewardship	19	Voluntary
Improving waste and recycling	21	305
Water	22	303
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Our products	24	416
Quality, innovation, and continuous improvement	25	25
Product development and clinical trials	25	416; 417; 201
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Quality at ResMed	26	416
Quality with suppliers	26	416
Supplier networks	28	Voluntary
Warranties	28	Voluntary
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Our people	31	2; 400s
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People development	35	404
Hiring policies and practices	35	401
Employee engagement and listening	36	402
Work-life balance and flexible working	36	401
Compensation and benefits ("Total Rewards")	37	401

Appendix 1 – References to GRI core metrics (continued)




















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Employee consultation	38	401; 402
Health and wellbeing	40	401; 403
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Managing health and safety	43	403
Wellbeing	43	403
Employee turnover	45	401; 402
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Privacy and data protection	51	418
Volunteering and fundraising for our communities	53	413
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Governance	56	2
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Age, gender, tenure, and diversity of our board	57	2
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Risk and ESG oversight	60	1; 2
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Ethics and corruption	61	205
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Appendix 2 – References to SASB standard metrics


Sections	Page	SASB Topic	Accounting Metric Code
Key ESG Indicators	6	Ethical Marketing	HC-MS-270a.1
Key ESG Indicators	6	Business Ethics	HC-MS-510a.1
Sales and marketing	9	Ethical Marketing	HC-MS-270a.2
Environmental stewardship	19	Product Design & Lifecycle Management	HC-MS-410a.1
Environmental stewardship	19	Supply Chain Management	HC-MS-430a.2
Product quality	26	Ethical Marketing	HC-MS-250a.1
Quality with suppliers	27	Supply Chain Management	HC-MS-430a.2
Supplier networks	28	Supply Chain Management	HC-MS-430a.2
Product safety	29	Product Safety	HC-MS-250a.1
Product safety	29	Product Safety	HC-MS-250a.2
Product safety	29	Product Safety	HC-MS-250a.3
Product safety	29	Product Safety	HC-MS-250a.4
Marketing and labeling	29	Ethical Marketing	HC-MS-270a.2
Product price	30	Affordability & Pricing	HC-MS-240a.2
Biocompatibility testing	30	Product Design & Lifecycle Management	HC-MS-410a.1
Business integrity	61	Ethical Marketing	HC-MS-270a.2
Business integrity	61	Business Ethics	HC-MS-510a.2
Ethics and corruption	61	Ethical Marketing	HC-MS-270a.2
Ethics and corruption	61	Business Ethics	HC-MS-510a.2

Appendix 3 – 2022 Materiality Assessment

ResMed undertook an independent materiality assessment as a foundation for developing its understanding of its environmental, social and governance (ESG)- related strategic priorities to mature its approach to sustainability and inform its strategy, engagement and reporting.

ResMed's Prioritized List of ESG Material Topics			
1	Sleep better, breathe better and live better lives through respiratory products and services	Social	  
2	Energy efficiency and greenhouse gas (GHG) emissions reduction	Environmental	  
3	Belonging, inclusion and diversity for success	Social	  
4	Sustainable supply chain	Environmental	  
5	Tech driven and innovative	Governance	  
6	Lead equitable access to care	Social	  
7	Product and packaging circularity	Environmental	  
8	Supplier engagement in modern slavery and human rights	Social	  
9	Patient safety and product quality	Governance	  

Appendix 3 – 2022 Materiality Assessment (continued)

ResMed's Prioritized List of ESG Material Topics			
10	Physically and mentally healthy ResMedians	Social	  
11	Talent attraction, development and retention	Social	  
12	Cybersecurity and data privacy	Governance	 

ResMed's Top Four strategic SDGs





ResMed Innovation & Manufacturing Hub,
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