

Australian Unity Limited Modern Slavery Statement 2023



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Introduction

We acknowledge that modern slavery still exists, and we are proud to play our part in eliminating it in all forms. We strongly believe that the right to work free from slavery is a basic human right, and central to our philosophy of providing a safe place to work.



This statement outlines the steps that we (Australian Unity Limited) and our controlled entities have taken during the financial year ending 30 June 2023 to address the requirements of the Modern Slavery Act 2018 (Cth).

It also outlines the steps we've taken to identify and assess the risk and mitigation of modern slavery in our supply chains and business operations, as well as the measures and initiatives underway to achieve this.

We've outlined our approach in our Group Modern Slavery Policy, which is approved by our Board.

About us

Established in 1840, we were Australia's first member-owned wellbeing company, delivering health, wealth and care services. We're committed to Real Wellbeing for all Australians.

For us, Real Wellbeing means so much more than physical health. It's about your standard of living and feeling safe in your home. It's about your personal relationships and being connected to your community. It's about what you want to achieve in life, while having the security to get out and do what makes you happy.

Being a member-governed company—also called a mutual—gives us the freedom to invest money back into the services and solutions that matter most to our members, customers and the Australian community.

Today, while we've grown to a company whose operations employs approximately 7500 employees and serve hundreds of thousands of members and customers, we remain true to our roots.

We've been measuring the real wellbeing of Australians with Deakin University since 2000, through the Australian Unity Wellbeing Index. The Index is a tool that tracks how satisfied people across Australia are with their lives, using seven key areas of wellbeing. It has grown to become one of the most credible and enduring studies of wellbeing in Australia.

You can find more information about us in our [Annual Report](#).

Our organisational structure

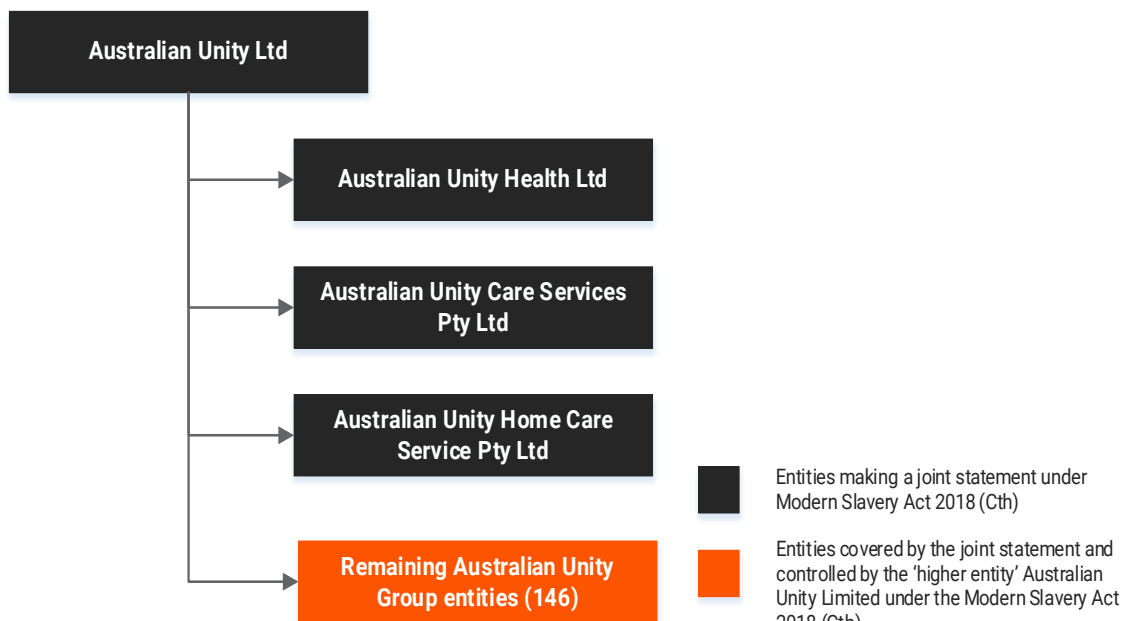
The reporting entities we cover

Australian Unity Group is made up of approximately 149 controlled entities within Australia (as of 30 June 2023).

Australian Unity Limited is our parent company and—for the purposes of this statement—the ‘higher entity’. Other than those we’ve listed; no other entity meets the reporting entity criteria under the *Modern Slavery Act 2018* (Cth).

This joint statement covers Australian Unity Limited, Australian Unity Health Ltd, Australian Unity Care Services Pty Ltd and Australian Unity Home Care Service Pty Ltd.

Simplified structure of Australian Unity reporting entities



Our policy and governance frameworks

Our Group Modern Slavery Policy outlines our approach to modern slavery risk assessment and management across all group-controlled entities. It's supported by our Employee Code of Conduct, Supplier Code of Conduct and Supporting Your Wellbeing policies.

The Group maintains a further range of policies and procedures to promote ethical behavior and good governance. These help to ensure our decisions are made with transparency and integrity, and in line with regulatory and legislative requirements and include policies and standards which cover Enterprise Risk Management, Whistleblower Protection, Group Incident Management, Group Outsourcing, Vendor Management, Health and Safety, Anti-Money Laundering and Counter Terrorism Financing, Welcoming Difference Policy, Equal Opportunity Workplace Standard, Speaking Up Policy, Respectful Workplace Standard and Inclusive and Diverse Workplace Standard.

Living our values

To help people thrive, we seek to be bold, warm, and honest in everything we do.



Our statement comes from a simple premise: if we can be bold, warm, and honest with each other, our customers and everyone we connect with, we can deliver on our purpose to help people thrive and achieve real wellbeing.

Our Code of Conduct explains what we stand for, and helps our people live our values. If you're directly employed by us, you need to learn this Code and complete an online training module. Here are the guiding principles that underpin our Code:

- We consider if our actions align to our values of being bold, warm, and honest.
- We do what's right by always acting professionally, ethically, legally, and honestly.
- We protect intellectual property, privacy, and confidentiality.
- We maintain a safe work environment and promote both the physical and mental wellbeing of staff.
- We act with integrity and honesty. We never exploit or take unfair advantage of our position or make or accept improper gifts or benefits.
- We speak up when we are concerned about something—no matter the situation.
- We know what's required of us under our policies and procedures, so we can comply with laws and regulations.

Compliance training

To support our policy and governance frameworks, we've created a robust schedule of compliance training and awareness sessions. Specific training courses are mandatory for all employees on an annual basis. The previously implemented Modern Slavery Risk training is currently being redesigned along with changes made to the broader risk and compliance training program and we anticipate that this will be completed in time for the FY24 reporting period. Modern Slavery requirements continue to be incorporated into existing compliance training courses that are mandatory for all employees.

Our workforce

Being a leading wellbeing company, we're always here for our people and we strive to protect and boost their physical and mental health, safety, and overall wellbeing. As of 30 June 2023, our total, direct workforce was approximately 7500 (all employed within Australia).

We support and celebrate the diversity of our people to build an inclusive culture across many geographical locations that represent Australia's First Nations, multicultural and diverse communities. We foster a discrimination free, equal opportunity and respectful workplace where all our people and those we work with can be the best they can be.

We have recruitment and employment policies that address inclusion, anti-discrimination, equal opportunity, bullying and harassment. When we're looking to bring on new people, we apply equity, fairness and transparency to the entire hiring, selection, and appointment process. Through our policies and processes across Talent Acquisition, Background Check, Anti-Discrimination & Equal Employment Opportunity and Remuneration, we provide employees with fair and consistent working conditions covering their hours of work, minimum wage and leave entitlements.

As a wellbeing company with reach across the country, including regional and more remote locations, we've been at the frontline of the various trials and tribulations over the past few years—floods, bushfires, economic downturns, and the COVID-19 pandemic. Now our people are increasingly dealing with the infrastructural and service challenge of a steep increase for care services coupled with the inflationary effects of personalised medicine and the rise of chronic disease.



These challenges have tested our organisation and workforce to the adverse impacts of these events, particularly in relation to employee burnout, fatigue, and mental health. To help our employees through challenging times, we've continued to implement a range of mental health and wellbeing initiatives for our employees and families.

Our operations

As a wellbeing company, our operations are based on a diverse and thematically linked portfolio delivering health, wealth and care products and services, organised under four customer-focused platforms.

| | | |
|-------------------------------------|------------------------------|--|
| Home Health | | Home Health is an integrated healthcare business with solutions designed for delivery of in-home and in community settings across a range of modalities—from domestic assistance to clinical care and in person as well as virtually. Home Health also designs and delivers culturally appropriate care to Aboriginal and Torres Strait Islander customers through its dedicated team. |
| Specialist Care¹ | Residential Aged Care | Australian Unity owns and operates Residential Aged Care precincts across New South Wales, Victoria and Queensland. |
| Retail | Health Insurance | Australian Unity policyholders are insured against a range of costs that, depending on cover, include hospital accommodation, theatre fees, prostheses and more—with extras cover extending to treatments such as dental, optical and physiotherapy. |
| | Banking | Australian Unity Bank offers a wide range of personalised banking services, such as owner-occupied and investor home loans, personal loans, credit cards, everyday transaction accounts, savings accounts and term deposits. |
| Wealth & Capital Markets | Social Infrastructure | The Social Infrastructure business sources and manages capital to fund important healthcare facilities, office and retail spaces, specialist disability accommodation and student accommodation and housing. It also operates Australian Unity's Retirement Communities and provides facilities and asset management to the Residential Aged Care and Retirement Communities businesses. |
| | Life & Super | Australian Unity's Life & Super business provides investment and savings products to everyday Australians and families—including a range of investment bonds, funeral bonds and education savings plans. |
| | Funds Management | The Funds Management business provides investment solutions through differentiated and relevant investment management capabilities in asset classes including venture and private capital, equities, property, fixed interest and cash. |
| | Trustees | Australian Unity's Trustees business offers financial administration and management, attorney, estate and trust administration services. |
| | Advice | Australian Unity's Advice business provides financial advice on investments, taxation, superannuation and insurance. |

Portfolio structure as at 1 July 2023.

¹ In FY2023 Specialist Care also included retirement communities and direct health services through dental clinics. It also included disability services until 12 December 2022.

Our compliance initiatives

We do not manufacture any goods in our business and most of our operations are insourced. Our annual modern slavery risk assessment for modern slavery practices across our core business areas have identified the following areas of focus that continues to form the basis for our modern slavery compliance initiatives:

1. Our supply chain vendors and suppliers
2. Our joint venture partners
3. Our outsourced vendors and third-parties.



The Group's approach to modern slavery compliance is embedded into day-to-day operations and aims to build on the activities that were reported in our previous Modern Slavery Statement.

The Modern Slavery Working Group

Group initiatives are driven by the Group Modern Slavery Working Group that is established to manage and maintain the Group's modern slavery risk management program and consists of representatives from Group Sourcing, Group Legal and Group Risk and Compliance. The Group initiatives are supported by the Group Modern Slavery Risk Policy and in financial year 2023, we have developed a supporting Group Modern Slavery Risk Management procedure to support the risk assessment and management program.

Financial Year 2023 Compliance Initiatives

Our Group Sourcing function enables the supply chain platform we use across our entire business. It's supported by strong vendor management frameworks, policies, processes, and systems. Our Supplier Code of Conduct continues to be central to the minimum standards we expect from our suppliers in relation to human rights, working conditions and ethical conduct for employees, contractors, and business operations.

During the financial year 2023, the focus continued to be on our high-risk areas of our supply chain and material vendors. Our risk assessment of material vendors continues to focus on specific categories that we had assessed to have a greater risk of modern slavery:

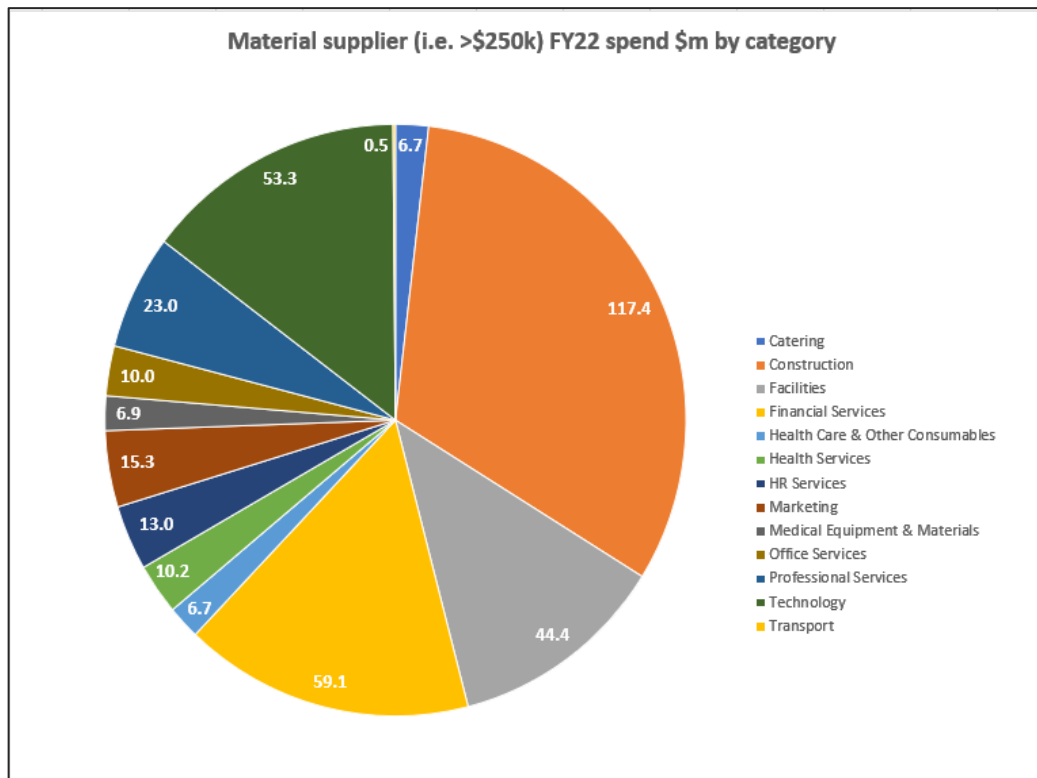
| High Risk Categories | |
|---|--------------------|
| Technology | Office Services |
| Professional Services | Construction |
| Facilities Management | Marketing |
| Health Care and Consumables & Health Services | Catering |
| Transport | HR Services |
| Medical Equipment and Consumables | Financial Services |

While most of these vendors are based in Australia, there are a limited amount of goods and services purchased from multinational companies, including managed IT services, systems, applications, hardware, and construction services.

The Modern Slavery Working Group continues to focus on the following modern slavery risk criteria when performing risk assessments in line with our Group Enterprise Risk Management Framework:

- Use of a workforce that is generally transient with a relatively high turnover
- Geographical locations of supplier’s manufacturing facilities (or their suppliers)
- The potential for child labour within the supply chain
- Goods and services delivered with low margins and high volumes

We’ve identified approximately 217 vendors across the key categories of technology, healthcare and consumables, construction, facilities, catering, medical equipment, health services and office services. These vendors account for approximately AUD 366 million spend across the Group or approximately 82% of the overall Group procurement spend as of 30 June 2022. This formed the basis for a compliance review in FY 23 and is noted in the diagram below.



A significant achievement in our Modern Slavery Compliance and broader third-party risk management uplift in the financial year ended 30 June 2023 has been the deployment of an automated solution to enable the Group to manage its third-parties for a range of compliance and assurance obligations including modern slavery risk assessment as outlined below.

During the financial year 2023, the Group had embarked on a significant modernisation and uplift program to shift the maturity of third-party risk management (TPRM) that includes the ability to assess modern slavery risks and enable compliance to the Modern Slavery Act in a more efficient way.

The TPRM tool was launched in June 2023 and was used to manage the compliance program for the current compliance year.

The tool enabled the Group to develop an on-line risk assessment questionnaire that was sent directly to the vendors without the need for manual intervention from vendor owners.

This resulted in a prompt response from our more mature vendors. However, the breadth of our supply chain means that there are some vendors that require robust follow up activities, and some that continue at the time of writing.

The TPRM tool and the online risk assessment has further allowed the Group to refine its risk assessment by i) assigning a weightage to specific risk assessment questionnaires and ii) refining our risk output to categories of Managed, Progressing and Not Managed for the risk outcomes arising.

| Item # | Item Description | Risk Category | Period | Score Type | Min | Max |
|--------|--|----------------------|--------|------------|------|--------|
| 1.1 | Modern Slavery in Supply Chains - Supplier Questionnaire | Business Development | Annual | Info Only | NA | NA |
| 1.2 | Contacts | Business Development | Annual | Info Only | NA | NA |
| 1.3 | Does your organisation publish a Modern Slavery Statement in accordance to the Act? If yes, please provide a link to it. | Business Development | Annual | Numeric | 0.00 | 100.00 |
| 1.4 | Does your organisation comply with Australian Unity's Supplier Code of Conduct? | Business Development | Annual | Numeric | 0.00 | 100.00 |
| 1.5 | Does your organisation maintain a modern slavery policy or supplier management framework with corresponding policies? If no, please describe how your organisation maintains visibility over your supply chain. | Business Development | Annual | Numeric | 0.00 | 100.00 |
| 1.6 | Does your organisation conduct due diligence for modern slavery risks on your suppliers? If no, what actions does your organisation take or plan to take to minimise any potential risk to modern slavery? | Business Development | Annual | Numeric | 0.00 | 100.00 |
| 1.7 | Does your organisation use suppliers in countries other than Australia? If yes, please list or provide a link to the information on the countries. | Business Development | Annual | Numeric | 0.00 | 100.00 |
| 1.8 | Does your organisation take action? Modern slavery practices are suspended? If yes, please outline your process. | Business Development | Annual | Numeric | 0.00 | 100.00 |
| 1.9 | Do you provide training to your employees on modern slavery risks? If no, does your organisation plan to introduce modern slavery training to your employees? | Business Development | Annual | Numeric | 0.00 | 100.00 |
| 1.10 | Does your organisation have processes for your employees, agents, or subcontractors to report anonymously, without fear of retaliation, matters relating to slavery and human trafficking (e.g., Whistleblower)? | Business Development | Annual | Numeric | 0.00 | 100.00 |

Approval
Risk: Modern Slavery in Supply Chains (2023) - Overview - Period Start: 08-Aug-23

Overall

| Overall Score | Internal | External |
|---------------|----------|----------|
| 95.00 | 95.00 | 95.00 |

Modern Slavery

| Overall Score | Internal | External |
|---------------|----------|----------|
| 100.00 | 100.00 | 100.00 |

From the 217 vendors initially identified, the Working Group worked with the vendor owners and reviewed the vendors identified before their risk assessment questionnaires were initiated from the TPRM tool. The numbers were refined taking into consideration the following:

- The vendor use was a one-off and there is no agreement for future use
- The vendor category was not correctly aligned to the actual good or services that the vendor delivered
- In line with the Group Modern Slavery Procedure, the vendor was previously assessed as having robust modern slavery processes and will subsequently be evaluated on a bi-annual basis.

The on-line questionnaire allows vendors to delegate their response to a more appropriate person in their organisation which has saved time because manual follow up activities have reduced. The questionnaire also allows for documentation to be attached to support the assertions that are made in the vendor's response.

Vendors that have provided a response that indicates a good modern slavery risk management program are rated as 'Managing'. Vendors that are making good progress with some gaps are noted as 'Progressing' and others that require additional follow up and clarification, are noted as 'Not Managed'.

There are some clear themes arising from the analysis of the responses

- Vendors who are required to issue Modern Slavery Statements under the Act are predictably able to demonstrate robust risk management programs in place.
- The same was demonstrable with vendors who choose to publish a Statement while not required under the Act to do so.

- There is a growing trend in vendors of a smaller scale that may not publish a statement but do instead institute Modern Slavery Internal policies which they are able to offer as evidence of their compliance and risk processes.
- Clear challenges continue to remain with the smaller to medium sized vendors in terms of operations and workforce size, especially in trying economic conditions. We intend to consider this as a key factor in the change in risk approach that we plan to perform for FY24 compliance reporting which is elaborated in the “Our journey ahead” section below.

Organisational Awareness

We've continued to ensure that our people are kept informed of our compliance initiatives. A summary communique was sent to all leadership team members on ongoing compliance and the current modern slavery statement is linked in the Group key policies repository and is on our external website. We have also provided awareness updates via intranet articles to all employees.

Our dedicated intranet awareness site continues to be refreshed and includes Group policies, procedures, and modern slavery risk assessment questionnaire. It gives our people access to the Group's view on modern slavery, our compliance activities, the role that our people perform, along with past Group Modern Slavery Statements.

Our remediation and grievance mechanisms

Everyone has a voice at Australian Unity. We encourage our employees and suppliers to speak up about any conduct or activity they believe to be dishonest, corrupt, or illegal.

Through our Whistleblower Protection Policy and Speak Up Policy, we provide guidance on how concerns can be reported free from retribution. It's a governance mechanism designed to facilitate open and frank communication through channels that are always available to ensure that genuine grievances are investigated quickly.

Consultation with joint & controlled entities

As we (Australian Unity Limited) own or control all joint entities providing this statement, we also maintain the common processes that support them.

These include the policies, processes, operations, and supply chain management that underpin our modern slavery risk assessment, which was carried out by the Group Modern Slavery Working Group that is established to manage and maintain the Group's modern slavery risk management program and consists of representatives from Group Sourcing, Group Legal and Group Risk and Compliance and Vendor Owners and Managers from across our organisation.

The Australian Unity Limited Board Risk and Compliance Committee endorsed the contents of this statement.

Our journey ahead

In our fourth year of compliance reporting, we'll continue to refine and enhance our compliance processes, while staying committed to our compliance obligation activities.

We'll continue to focus on the following key initiatives, many of which are underway. We'll provide an update on in our next statement (31 December 2024).

- The introduction of the TPRM module in FY23 provides us with the opportunity to evaluate our current risk assessment process and approach that was established from our first year of compliance reporting in FY2020.
- Our current approach has given us better visibility and understanding of our vendors and now with the ability of the TPRM tool, we are able to be targeted in our risk assessments. For instance, we can refine the risk assessment focus from material spend and categories of concern and allow the risk assessments to be done in an ongoing and continuous manner, moving towards when the vendor is onboarded and with subsequent periodic attestations.
- A workshop between the Working Group is scheduled for Q2 FY24 and we anticipate that our reporting in FY24 will outline the outcome of the workshop that supports compliance reporting in the new financial year.
- In FY24, we intend to finalise the revised modern slavery training module and deploy it as part of ongoing training for all personnel who manage vendors as well as make it available for all other employees.



This statement is made pursuant to section 14(1) of the *Modern Slavery Act 2018* (Cth). It constitutes the joint statement of Australian Unity Limited (the ultimate parent company in the Australian Unity Group), Australian Unity Health Ltd, Australian Unity Care Services Pty Ltd and Australian Unity Home Care Service Pty Ltd and has been approved by the Board of Australian Unity Limited (the 'higher entity') on 27 November 2023.

A handwritten signature in black ink, appearing to read 'Rohan Mead', written in a cursive style.

Rohan Mead
Group Managing Director & Chief Executive Officer

18 December 2023