

Modern Slavery Statement 2022



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This is Healius Limited’s third Modern Slavery Statement (“Statement”) covering FY 2022, issued under the Australian Modern Slavery Act. This Statement outlines what Healius and its subsidiaries (“Healius”) have done to detect and prevent modern slavery and human trafficking risks in its business and supply chains.



Message from the Chief Executive Officer

On behalf of the Board of Healius, I am pleased to present our 2022 Modern Slavery Statement.

Healius acknowledges that modern slavery is a global and systemic issue, and we believe a strong stance against modern slavery is essential to a sustainable future.

We aspire to be a socially responsible company that creates value for all stakeholders including consumers, employees, and investors through its core values of care, compassion and quality. Our commitment to human rights and the eradication of all types of modern slavery is overseen by the Healius Board, the Risk Management Committee and supported by the Sustainability Steering Committee.

At Healius, we are inspired to care for the health and wellbeing of our customer at every stage of life. Our values 'WE CARE' underpin a culture of care and empathy, which also extends to our many stakeholders, internal and external. We are committed to respecting all human rights, including the right to be free from slavery, exploitation, forced labour, debt bondage, domestic servitude, deceptive recruiting for labour and illegal forms of child labour with zero tolerance for slavery of any kind.



A handwritten signature in black ink that reads "Malcolm Parmenter". The signature is fluid and cursive.

Dr Malcolm Parmenter
Managing Director and Chief Executive Officer
6 December 2022

About Healius

For over 30 years, Healius has been one of Australia's leading healthcare companies. We are committed to supporting quality, cost-efficient and accessible healthcare, leading Australia to a healthier future.

Healius has two core businesses, Pathology and Imaging. Through its unique footprint of 2,000+ centres and its 11,000+ employees, Healius provides specialty diagnostic services to consumers and their referring practitioners¹.

Healius' commitment to human rights and the eradication of all types of modern slavery is overseen by the Healius Board and the Risk Management Committee, supported by the executive Sustainability Steering Committee. Our approach to modern slavery risk management builds upon our 'WE CARE' values and established frameworks as an accredited healthcare provider and public listed company in Australia, including our Risk Management Framework, Standards of Behaviour and Conduct Policy, Procurement Policy, Supplier Code of Conduct and Whistleblower Protection Policy.

Our values

At Healius, 'WE CARE' represents our values, with the aspiration of creating a culture of care and empathy for our people that mirrors the care and empathy patients expect from them. Everyone at Healius is expected to embrace and embody these values in their working lives.



Work it together

We believe when we bring out the best in each other, there's no limit to what we can do.



Empathy for everyone

We believe we build better relationships when we take the time to understand and care about each other.



Committed to excellence

We believe we should always go above and beyond for patients, customers and each other.



Act with integrity

We believe in trusting each other and always supporting those who are fair and honest.



Recognise our people

We believe the hard work we put in every single day deserves to be acknowledged and celebrated.



Embrace innovation

We believe everything we do can benefit from a different perspective. Great ideas can come from anyone.

¹ During the period of this Statement, Healius also had a Day Hospitals business in its portfolio and this Statement covers this division as well as the core pathology and imaging divisions.

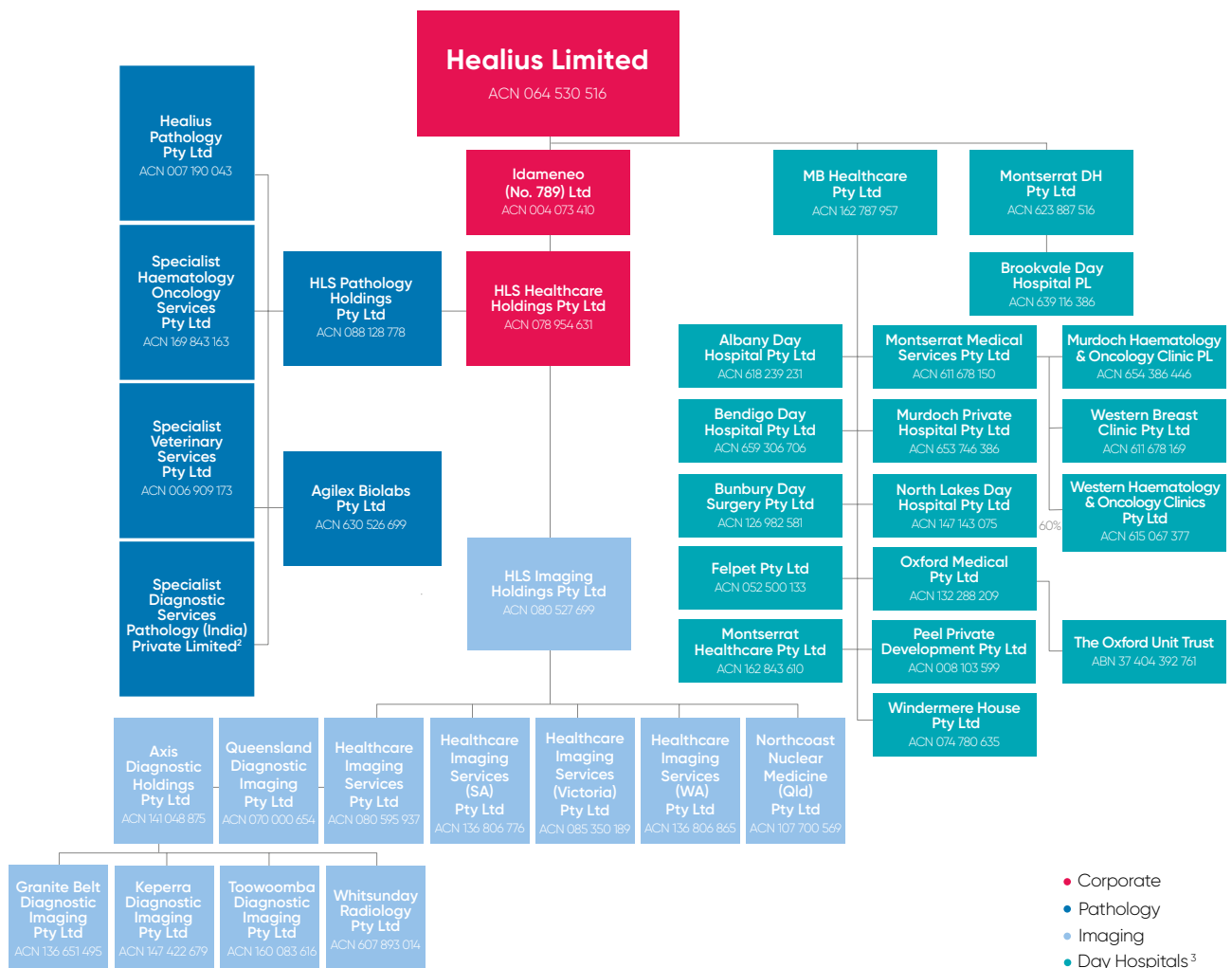
Legal entities covered by this Statement

Healius is a leading Australian healthcare company providing diagnostic services to consumers and referring practitioners, as well as enabling a range of independent healthcare professionals to deliver patient care in our facilities and in partnership with Healius' nurses and support staff. Healius is listed on the Australian Securities Exchange and is headquartered in Sydney, NSW.

In addition to Healius Limited, Healius comprises a significant number of separate subsidiary companies whose activities are grouped into operating divisions.

This Statement covers the financial year ended 30 June 2022 and has been prepared on a consolidated basis. The legal entities covered by this Statement and a description of the businesses through which these legal entities deliver healthcare services to Australian healthcare professionals and patients is set out below.

Healius Group – consolidated modern slavery reporting entities 2022¹



1 This structure is current as at 30 June 2022 and shows all active operating companies within our segments. For a complete list of all entities forming part of the Healius group, refer to Note D1 to the Financial Statements within our FY 2022 Annual Report. Adora IVF sale completed in June 2022 (including three Healius Day Hospitals) and has been excluded from above.

2 Back-office support operation incorporated in India.

3 Day Hospitals is held for sale in FY 2023.

Our businesses

Pathology



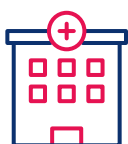
Healius Pathology is one of Australia's leading medical laboratory and pathology services covering key diagnostic activities of anatomical pathology (histopathology and cytology), clinical pathology (biochemistry, haematology, immunology and microbiology), genomic diagnostics and veterinary pathology. The division continues to be instrumental in COVID-19 testing nationally. Healius' pathology division has strong state-based brands which are all number one or two in their markets. In January 2022, Healius acquired Agilex Biolabs, Australia's largest, most experienced and scientifically advanced bioanalytical laboratory with over 25 years' experience in clinical trials.

Imaging



The Imaging division partners with over 120 independent radiologists to undertake a full range of medical imaging services including specialist women's health, cardiac, neurological, vascular, musculoskeletal and dental imaging. The division, operating a network of 146 sites in hospitals, medical centres and stand-alone community sites, is the number three national provider.

Day Hospitals (held for sale)



Healius has 11 short-stay day hospitals, 10 of which are stand alone and operate under the Montserrat brand and one, called Warringah Day Surgery is located within a medical centre, all operating under Montserrat's management.

Approximately 200 doctors work across Day Hospitals, collectively conducting over 40,000 procedures a year. The business delivers referrals to the pathology business and diversifies funding into non-Medicare revenue.

In early FY 2023, Healius issued an Information Memorandum for its Day Hospitals division. As a result, this division will be held for sale in FY 2023.

Our Australian operations and people



Majority of Healius' operations are in Australia and include salaried staff, employees under collective bargaining arrangements and modern pay awards, temporary contractors and casual employees. In FY 2022 there were 11,880 team members employed Healius.

Approximately 90% of staff (excluding temporary contractors) are covered by an industrial instrument such as modern awards or enterprise agreements. The terms of these instruments lessen the prospects of conduct within our operations that could deteriorate into modern slavery.

Healius' systems aim for continuous improvement in its treatment of employees including compensation, work-life balance, financial and non-financial benefits, support professional development and health and safety.

Our offshore operations and people



As well as managing domestic and offshore suppliers, Healius' Pathology division includes back-office support operations located in India, made up of 197 employees.

Healius' offshore employees are compensated in line with, or exceed, local government minimum wage compliance in the relevant locations. Prior to COVID travel restrictions, Healius management conducts bi-annual site visits of our offshore operations and when we are not able to visit we still maintain regular communication and oversight through daily to weekly meetings with the broader team. Through consultation with local operations, Healius has assessed the risk of modern slavery, including in its supply chains and risk of exploited labour.

In addition, Healius has and will continue to engage experts to provide recommendations on risk and compliance requirements for our offshore operations and hold governance forums with offshore leaders and contract suppliers.

Our supply chains and procurement framework

Across the scope of its operations, Healius sources a wide array of healthcare-related products and services, as well as more usual business-related products and services. These may originate within Australia or offshore. Key supply chain classes are:

Supply Chain Classes

- Medical consumable expenses (e.g. personal protective equipment, reagents)
- Property rental expense
- Utilities and other property related services (e.g. facilities management services such as cleaning and security)
- Repairs and maintenance (including equipment)
- IT expenses (IT hardware, software and third-party support)
- Short-term equipment hire
- General expenses (including non-medical consumables such as office supplies, general staff and travel costs, motor vehicles, workers compensation and insurance costs, Pathology third-party courier and referred work, consultants, professional services)



Healius draws from both domestic and international suppliers to ensure the provision of quality, ethical products and services to generate optimum value with a whole-of-life focus.

In evaluating our preferred suppliers and strategic partners, our selection criteria include understanding the resilience of the supply chain, methods of production, environmental sustainability in manufacture and logistics, labour hire practices and value for money. The evaluation includes detailed assessments of how the supplier addresses the risks of modern slavery both within their control and also upstream from suppliers of input goods and services.

Suppliers are required to adhere to Healius' policies and procedures, in particular, our *Procurement Policy* and our *Supplier Code of Conduct*.

Procurement Policy

Healius' Procurement Policy was updated in 2021 to ensure that procurement activities are conducted commercially, ethically and sustainably to generate optimum value with a whole-of-life focus, it covers:

Supplier relationships

Healius is committed to building a strong reputation with suppliers by demonstrating probity, integrity, impartiality, confidentiality, transparency, accountability and respect by partnering and managing relationships strategically with suppliers.

Sustainability

Where possible, procurement should have the most positive environmental, social and economic impact over the entire life cycle of a good or service following a risk-based approach.

Managing risk

Our aim is to ensure that all procurement is conducted within a framework in compliance with Group procedures, tools and templates, based on a risk-based approach. Conflicts of interest are considered and managed appropriately.

Value for money

Healius is committed to obtaining the best overall outcome in terms of value for money, performance and whole-of-life-costs by leveraging the full purchasing power of the Healius Group. Value for money is demonstrated through competitive process and/or rigorous benchmarking.

Supplier Code of Conduct

Labour, Human Rights and Modern Slavery

Healius is opposed to all forms of modern slavery and expects its suppliers to respect human rights and ensure that they do not engage in or are complicit with human rights abuses, including modern slavery.

Ethics

Healius is committed to a culture of corporate compliance and ethical behaviour and expects its suppliers to carry out their duties ethically, responsibly and without improper influences, and thereby protect the integrity of the business.

Health and safety

Our aim is to provide a safe and efficient workplace without injuries to staff, contractors and the public. We expect suppliers to be accountable and responsible for managing their health and safety risk.

Environment

Healius is committed to managing operations in an environmentally sustainable manner and expects its suppliers to maximise resource efficiency and reduce the consumption of energy and natural resources and waste.

Diversity and inclusion

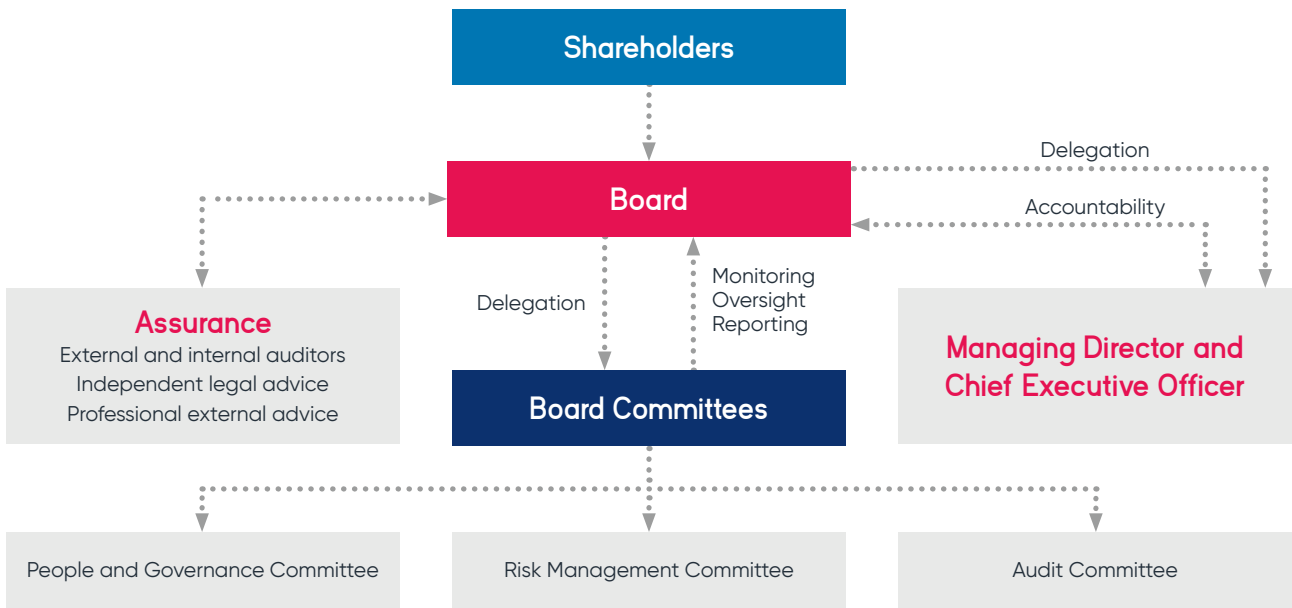
We recognise that a diverse and inclusive workplace in which all individuals, with a broad range of backgrounds, skills, experience and perspectives, contributes to our success. We also expect our suppliers to promote an inclusive and diverse workforce.



Our governance and risk framework

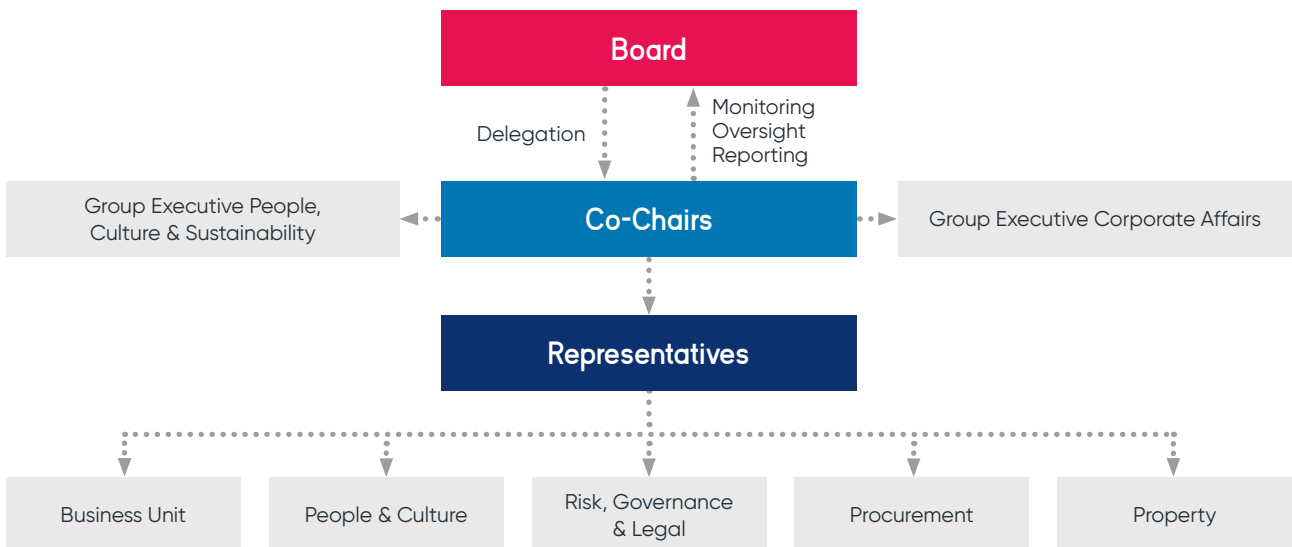
Overseen by the Healius Board and the Board's Risk Management Committee, Healius is committed to maintaining high ethical standards and conducting business with integrity, which is one of our core values. This includes a commitment to human rights and the eradication of all types of modern slavery.

Governance structure



Sustainability Steering Committee

The Sustainability Steering Committee, reporting directly to the Healius Board, is responsible for providing oversight and management of modern slavery risks (amongst other key environmental, social and governance issues). It is co-chaired by two members of the Healius Executive Leadership Team and has a wide range of functions represented on it.



As a healthcare provider, Healius' operations are highly regulated and subject to a range of State and Commonwealth legislation and accreditation requirements. In addition, Healius' operations are subject to regular internal and external audits associated with being a listed public company, which reduce the risk of internal instances of modern slavery.

Healius works within an accountable system that includes corporate governance policies and practices, and risk management processes. These are designed to promote and strengthen responsible management.

A Risk Management Framework has been designed that is both consistent with best practice and meets the specific needs of the Group. By following the framework, Healius has a uniform risk management methodology that can be applied to all strategic, operational and contractual objectives and which is supported by training modules to raise staff awareness.

The Risk Management Framework is supported by a range of policies that ensure we operate in a manner that is safe, ethical and compliant. Some policies relate specifically to modern slavery, while others are more general in nature and refer to our ethical standards and human rights responses. As part of its commitment to managing the risks, these policies are continually reviewed to ensure compliance with all legislation, including modern slavery. Relevant policies, which can be found online at: www.healius.com.au, include:

- Board Charter
- Standards of Behaviour and Conduct Policy
- Anti-bribery and Anti-fraud Policy
- Risk Management Policy
- Procurement Policy
- Supplier Code of Conduct
- Work Health & Safety Policy
- Whistleblower Protection Policy



Our Whistleblower Protection Policy

Healius encourages all its people to act with honesty and integrity and is committed to a culture of corporate compliance and ethical behaviour generally. The Whistleblower Protection Policy is in place to foster openness and transparency and to support people who raise concerns about the actions of Healius, without fear of being subjected to punishment, harassment or discriminatory treatment. Healius has engaged an external third-party service provider to provide a confidential and, if requested by a whistleblower, anonymous line of communication.

In the context of modern slavery, the policy specifically includes suppliers under the umbrella of persons who may be a whistleblower. Details of how to make a notification – including anonymously – are publicly available on our website.

Our FY 2022 measures to address modern slavery risks

Healius is fully committed to uphold human rights and to the eradication of all types of modern slavery associated with our business. Healius believes that this commitment is pivotal to a sustainable future.

Healius continues to build on and improve its response to modern slavery. This includes a steadfast focus on detecting potential modern slavery risks in our operations and supply chains, implementing mitigating actions and educating our people. In FY 2022 and up to the date of this report, Healius has completed a number of focused initiatives including:

Consultation and collaboration

Consultation with relevant stakeholders including suppliers and industry peers to understand their approaches to modern slavery and actions going forward. Healius has requested that suppliers submit their modern slavery compliance statements.

Healius has reviewed a number of industry platforms which enable access to real time information on modern slavery risks within our industry supply chain both within Australia and offshore. In 2023, we will be seeking to collaborate with industry peers to adopt a single solution where we can share information focused on common suppliers and supply chain practices.

Risk framework

Sustainability Steering Committee

The multi-functional executive Sustainability Steering Committee is responsible for providing oversight on the identification and response to key ESG issues, including modern slavery. The Committee reports to the Board and meets on a regular basis.

Healius key policies

Healius continually reviews key policies to ensure compliance with all legislation, including modern slavery.

Procurement

Supplier Code of Conduct

Healius' Supplier Code of Conduct has been incorporated into supplier contracts and purchase orders which specifically references our respect of human rights and expectation that our suppliers ensure that they do not engage in or are complicit in any human rights abuses, including modern slavery.

Procurement Procedures

Our centralised Procurement function enables greater visibility, ensuring contract terms and compliance to Healius policies are standardised and consistent across suppliers, leading to improved performance through greater levels of accountability and collaboration.

Contract clause

All new agreements include provisions which prohibit the supplier from engaging in conduct or activities that would constitute modern slavery and compels suppliers to provide records as required for Healius to comply with the *Modern Slavery Act*. The contract clause specifies that non-compliance would be in breach of these new Agreements and references various punitive actions which could result.



Risk evaluation protocol

Supply chain risk is assessed using a risk assessment tool which combines overall spend by supplier within the Healius Group and specific evaluation criteria which quantifies risk based on the following:

- Internal policies including whistleblower protections and staff training practices
- Vendor employment practices (migrant and student employment practices)
- Geographic location of operations (e.g., corruption prevalence, weak rule of law)
- Vendor operating model (labour hire and outsourcing, aggressive pricing practices, complex or non-transparent supply chains)
- Industry types such as medical personal protective equipment, cleaning, security and IT support services.

The results of this risk evaluation are set out on the following page. Supplier questionnaires are provided to suppliers who are considered to have higher risk of modern slavery based on this evaluation. The questionnaires request further information to assist in the detection of any modern slavery risks. In FY 2022, there was 100% compliance from suppliers in responding to questionnaires.

Offshore operations

Consultation with heads of our offshore operations to ensure the risk of modern slavery in our offshore operations is appropriately assessed and managed. Prior to COVID travel restrictions, Healius management conducts bi-annual site visits of our offshore operations, and when we are not able to visit we still maintain regular communication and oversight through daily to weekly meetings with the broader team.

Through consultation with local operations, we have not identified any incidences of concerns in relation to modern slavery. As a part of our risk mitigation, we have a long standing engagement with local (based in India) accounting and consultancy firm to assist us in ensuring we are always compliant with local labour laws and regulations.

Modern slavery education

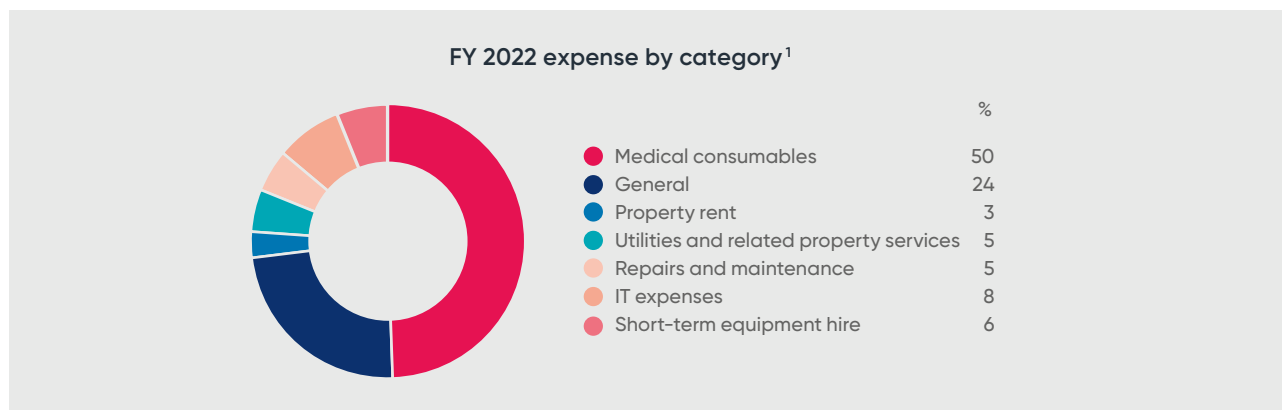
Development and implementation of compulsory training module to educate our people about modern slavery, including what it is, Healius' obligations under legislation, and steps that can be taken in the event there is detection of a modern slavery risk. In FY 2022, over 70% of staff completed the training module.



Our FY 2022 risk evaluation

In FY 2022, as part of our approach to ensuring that modern slavery risk is appropriately managed, Healius has focused on identification and evaluation of potential risk areas including, as noted above, overall spend by the Group and identification of jurisdictions and industries whose goods and services pose a higher risk.

Major categories of our external spend in the financial year were identified as follows:

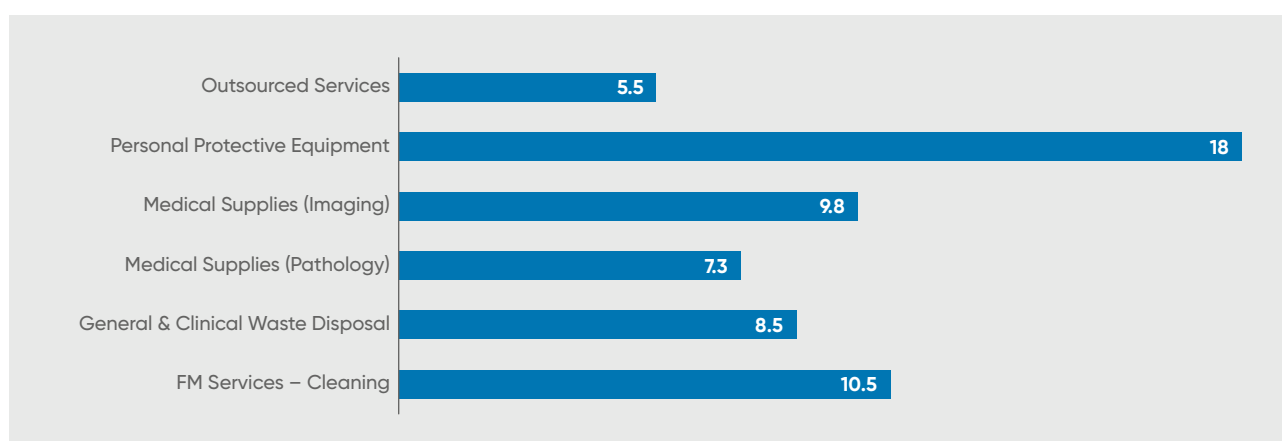


Healius' procurement team has undertaken an assessment of the risk of modern slavery in our supply chains, considering factors which can elevate modern slavery risks in particular areas of its supply chains.

In addition to the evaluation criteria, risk factors considered include:

- Employment practices which rely on temporary labour, international student labour, itinerant workers
- Business models which rely on high levels of labour hire, outsourced services or manufacturing in developing countries, franchises, known complex supply chains
- Sourcing of goods or services from geographic locations where corruption indices are high, rule of law is poor, displacement of people is high, known State failures in protection of human rights.

The chart below demonstrates risk assessment scores by supply category.²



General risk ratings are applied to each supplier category based on consideration of the above. Supply chain risk assessment is an ongoing process.

1 Aligned to FY 2022 P&L for continuing operations disclosures (excludes salaries and wages, depreciation and amortisation, financing costs and tax).
 2 The maximum a supplier can score is 58 points. Healius' risk threshold for warranting more a detailed investigation is 20 out of the available 58.

CATEGORY	INHERENT RISK LEVEL	ASSESSMENT/ANALYSIS/MITIGATION	RISK RATING
Medical consumables 50% spend	Moderate 	<p>Healius' medical consumables are typically purchased from reputable Australian-based Tier 1 suppliers with manufacturing operations in countries with local modern slavery or human rights legislation.</p> <p>Due to pandemic related supply chain constraints and growing cost pressures, Healius has increasingly had to source consumables from the global marketplace (i.e. suppliers/manufacturers based in Asia) which inherently is higher in risk.</p> <p>Healius has engaged with some of its largest and most trusted suppliers to mitigate inherent risks of modern slavery when sourcing products in these regions.</p>	Low
Rental 3% spend	Low 	<p>Healius engages with major landlords. Key landlords have been assessed, with internal evaluation indicating that risk of modern slavery is low.</p>	Low
Utilities and property services 5% spend	Moderate 	<p>Most utilities and property services are engaged via a third-party facilities management partner with mature management systems dealing with the risk of modern slavery.</p> <p>In FY 2022, Healius has continued to consolidate spend to key national vendors for waste management and cleaning services, partnering with service providers who have the necessary procedures and systems in place to effectively reduce any modern slavery risks (mostly labour sourcing) in their supply chains. Healius is addressing the inherent moderate risk of modern slavery in this sector through rigorous due diligence in its procurement process.</p>	Low
Repairs and maintenance 5% spend	Low 	<p>Repairs and maintenance are undertaken by local Australian vendors engaged by a third-party facilities management organisation which undertakes modern slavery due diligence.</p>	Low
IT hardware, software and third-party support 8% spend	Moderate 	<p>Most IT expenditure is with reputable third-party suppliers.</p> <p>While there is an inherent moderate risk of modern slavery in the electronic components within end-user computing such as laptops, Healius' key suppliers have ethical sourcing processes in place that address the risk of modern slavery within their supply chains.</p> <p>IT support services are outsourced to a provider in India. The agreement has been reinforced with obligations on the vendor to comply with our Modern Slavery Act requirements.</p>	Low
General 24% spend	Low 	<p>Healius generally engages top tier providers and service firms with strong corporate governance.</p> <p>As above, some finance support services are outsourced to a provider in India. The agreement has been reinforced with obligations on the vendor to comply with our Modern Slavery Act requirements.</p>	Low
Short-term equipment hire 6% spend	Moderate 	<p>Healius' short-term equipment hire predominately relates to COVID equipment, which includes both medical equipment and temporary building structures that were leased to increase PCR testing capacity to meet surge demand during the year. The arrangement was facilitated by the Australian Federal government, which has stringent procurement procedures and policies that also cover modern slavery risks. Additionally, Healius regularly engages with the supplier to address the inherent risks of modern slavery associated with sourcing from an Asian country.</p>	Low

Low Moderate High

Our next steps

Healius has taken further steps to assess and identify modern slavery risks in our own operating environment and in our supply chains. Healius continues to develop and improve the foundations and processes to effectively identify and manage these risks going forward, our FY 2023 key action points are as follows:

Offshore operations

Engagement and consultation

Further engagement and consultation with our Pathology offshore operations focusing on key employment terms and key supplier contracts in greater detail. Resumption of site visits to be reassessed in light of changing travel restrictions and a new schedule to be determined.

Consultation

Internal accountability pathways

We have established clear lines of accountability within the business across key disciplines in operations and procurement to ensure modern slavery risk can be both monitored and controlled.

Training module

Continuing to educate our people on modern slavery. Progress the deployment of the compulsory training module to raise staff awareness around modern slavery and the Group's obligations under the current legislation.

Risk framework

Risk Registers

Continue to assess modern slavery risks, and where appropriate, include in Group and divisional Risk Registers, which are ultimately reported to and reviewed by the Board's Risk Management Committee.

Procurement

Collaborative engagement

Ongoing collaborative engagement with Tier 1 suppliers in cleaning, medical consumables, uniforms and end-user computing and other areas that may be deemed higher risk.

Supplier Code of Conduct

Ensuring our Supplier Code of Conduct is understood and adhered to by all major suppliers and follow-up as required.

Due diligence

Undertaking due diligence and, if required, remediation with key suppliers in identified key risk areas via detailed supplier questionnaires, interviews, and site visits.

Automated vendor data

Reviewed industry platforms which enable access to real time information on modern slavery risks within our industry supply chain.

In 2023, will seek to collaborate with industry peers to adopt a single solution where we can share information focused on common suppliers and supply chain practices.

Key Performance Indicators

Continue to assess appropriate Key Performance Indicators to measure our effectiveness in addressing and assessing modern slavery.

Assessment

Internal Audit

As an ASX-listed healthcare company, Healius has an obligation to its customers, shareholders and broader stakeholders to ensure we set standards around compliance with efforts to eradicate modern slavery from the supply chain. To assist in this, Healius' Internal Audit function is tasked with monitoring compliance with modern slavery regulations and standards, and identifying shortcomings and areas for improvement.

Healius' response to, and management of, modern slavery risks falls under the scope of Internal Audit's areas for review.

Quality assurance and review

Consideration will also be given to the use of external quality assurance and review to assess the effectiveness of our response to modern slavery.

Consultation

This Statement has been prepared by the Sustainability Steering Committee and has been reviewed and approved by the Healius Board.

www.healius.com.au

