

Aveo Group: Modern Slavery Statement

1. Introduction

This is Aveo Group Limited's Modern Slavery Statement (**Statement**) for the reporting period 1 January 2021 to 31 December 2021. The Statement sets out the steps Aveo Group Limited (**Aveo**) has taken to identify, manage and reduce the risks of modern slavery in its operations and supply chains. This Statement has been prepared to satisfy Aveo's reporting requirement under the Commonwealth *Modern Slavery Act 2018*.

Aveo takes its commitment to respecting human rights seriously, including its commitment to identifying, managing and reducing modern slavery risks. This commitment is reflected in our core values of kindness, care and respect. We are dedicated to maintaining a culture of lawful and ethical behaviour by supporting the United Nations' Universal Declaration of Human Rights and working to ensure that our suppliers uphold fundamental human rights.

In today's complex and interconnected world, virtually no organisation is immune from the risk of modern slavery in its operations and supply chains. The United Nations estimates that there are approximately 40 million victims of modern slavery globally, including 16 million in private sector supply chains.¹ In Australia, the Government has estimated that there were 1567 modern slavery victims between 2015 and 2017.²

Under Australian law, modern slavery is defined as including certain types of serious exploitation such as trafficking in persons; slavery; servitude; forced labour; debt bondage; deceptive recruiting for labour or services and child labour. Modern slavery can be present in every industry and sector and is often tied to other crimes and activities that encroach upon human rights, such as corruption and environmental damage.³

Freedom from slavery is a fundamental human right. The *UN Guiding Principles on Business and Human Rights* recognise that entities have a responsibility to respect human rights in their operations and supply chains. This includes taking steps to prevent, mitigate and remedy modern slavery risks.⁴ Aveo takes this responsibility seriously, and also recognises that taking responsibility makes good business sense: it can lead to improved quality in our supply chains, improved investor and consumer confidence, and better relationships with our workers and local communities.

Aveo is committed to continually improving our processes and thinking in the ways we identify, manage and reduce our modern slavery risk. Given the complexity of the issue, we recognise that taking meaningful and effective action will take time and resources, and we intend to demonstrate the advancement of our approach in subsequent statements.

2. Development and endorsement of this statement

In developing this Statement, Aveo has had careful regard to each of the mandatory reporting criteria set out in the *Modern Slavery Act 2018* and the guidance set out in the Government's "[Guidance for Reporting Entities](#)".

¹ Page 8 [National Action Plan to Combat Modern Slavery 2020 – 2025 \(homeaffairs.gov.au\)](#)

² Page 9 [Commonwealth Modern Slavery Act 2018 - Guidance for reporting entities \(homeaffairs.gov.au\)](#)

³ Page 9 [Commonwealth Modern Slavery Act 2018 - Guidance for reporting entities \(homeaffairs.gov.au\)](#)

⁴ Page 10 [Commonwealth Modern Slavery Act 2018 - Guidance for reporting entities \(homeaffairs.gov.au\)](#)

The board of Aveo, senior management and executives have been consulted in preparing this Statement, as well as various Aveo business units including Legal, Audit & Risk, People and Culture, Property & Shared Services (encompassing Projects, Assets and Facilities, Refurbishments and Reinstatements and Food Services), Development and Payroll. Following that, the Statement has received board endorsement. The Statement is reviewed and updated on an annual basis.

Key actions taken to identify, assess and address modern slavery risks for the reporting period are:

- completion of project to update all standard contracts to include a modern slavery clause;
- completion of the preparation of modern slavery risk training and roll out to the senior management group and key employees involved in procurement and engagement of third-party labour hire companies; and
- preliminary development of a new supplier screening process which enables risk assessment and management of suppliers and their supply chains, including in the area of modern slavery, as part of a broader programme of enhancing supplier due diligence and risk management.

This statement has been prepared by Aveo and covers Aveo Group Limited, Aveo Healthcare Limited and other relevant entities within the Aveo corporate group, including subsidiary companies owned by Aveo. In preparation of this statement, key personnel and representatives from all entities were consulted.

3. Structure, Operations and Supply Chains

Aveo's Business and Operations

Aveo provides accommodation and care at home services to senior residents through its various offerings which includes Retirement Living Communities and Freedom Care Communities.

Aveo currently has 90+ Retirement Living Communities under management, having built the portfolio via a combination of acquisitions, brownfield and greenfield developments and redevelopments. The portfolio consists of well-established retirement communities which are predominantly located in prime metropolitan areas, and which offer independent living units, serviced apartments and home care accommodation formats.

Our established business generates profit through a number of different revenue streams, predominantly through the resale of existing units to new incoming residents and the buyback and sale of units to new residents. Across all accommodation types, the main revenue sources are management fees collected upon entry/exit, establishment fees paid at entry and capital gain collected from residents upon exit and resale of units to new incoming residents.

In terms of its development business, Aveo also develops retirement products, recognising development margin as newly built units are completed and sold.

Aveo also provides care and support services which include:

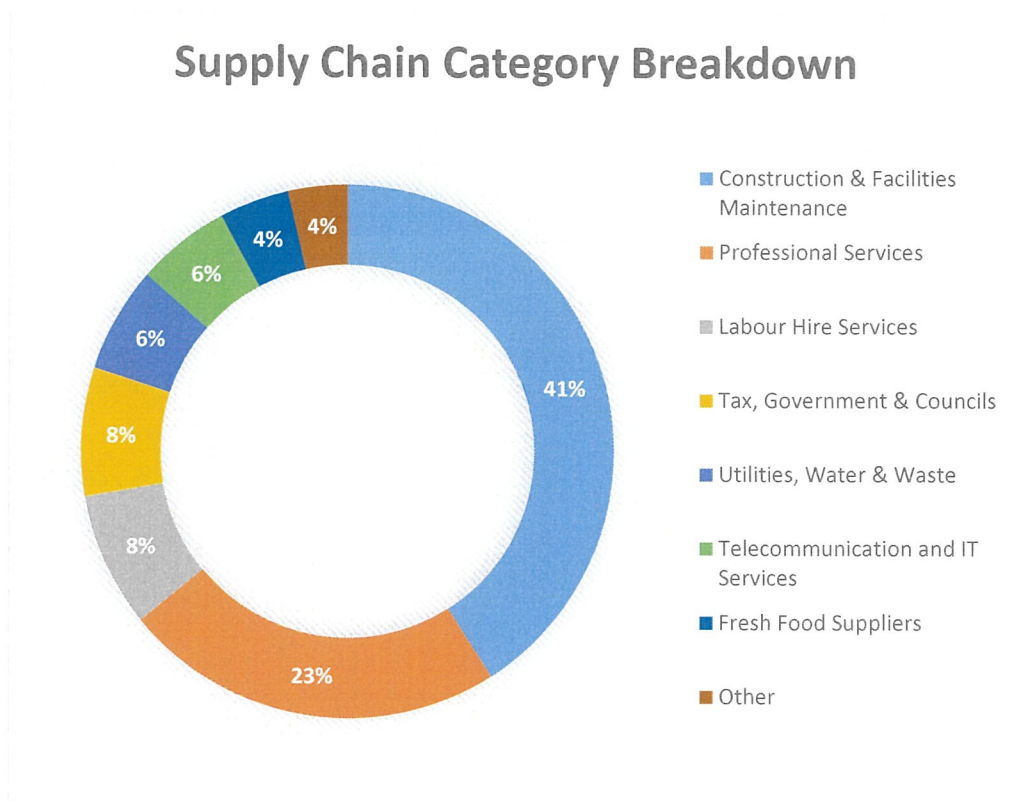
- Aveo Care at Home business, which provides home care services to a number of Aveo's retirement living communities and homes within the surrounding markets;

- Select Dining, a national food services and nutrition offering which embraces residents’ differing dietary requirements as they age. Select Dining operates across 62 kitchens; and
- Aveo Connect, which provides telecommunications services including phone and internet services, entertainment and monitoring systems.

Supply chains

Aveo’s suppliers

Aveo works with a diverse range of suppliers, from small businesses to globally recognised firms. Our main suppliers (by spend) are set out as follows:



How Aveo deals with suppliers

Aveo Group has created and regularly updates a group-wide procurement and business dealings policy which governs Aveo’s approach to evaluating, selecting and dealing with suppliers. A key objective of the policy is to ensure responsibility and compliance for internal staff and our suppliers, which includes components such as Aveo’s Supplier Code of Conduct, modern slavery, privacy, anti-bribery and corruption, occupational health and safety, and other legislative obligations.

Whilst the procurement and business dealings policy is relatively new, compliance is increasing both internally and externally as part of our engagement strategy with Aveo staff and suppliers.

Presently Aveo engages a third-party vendor management provider to on-board and screen many of our suppliers. This third-party provider manages 30% of our supply base by spend, typically being those engaged for construction, maintenance and operations services at our communities. These suppliers are where Aveo sees the greatest risk with regards to modern

slavery. Our remaining suppliers (70% of our supply base) are engaged and managed through our corporate system.

Our third-party vendor management provider manages inductions, onboarding and compliance programs. The suppliers managed by our third party are provided with a copy of Aveo's Supplier Code of Conduct amongst other policy documents and are expressly required to comply with it. The Code of Conduct sets out, among other things, prohibitions on forced labour, inhumane treatment of workers, child labour, and other modern slavery related practices.

Suppliers who are managed through our corporate system tend to be those used at a broader level (e.g. utilities, communications & technology, marketing). These suppliers are not currently subject to onboarding requirements that address conduct that may encapsulate modern slavery. While these suppliers are considered to be lower risk with regards to modern slavery, a continuous improvement program is expected to capture these suppliers in a new supplier screening process that addresses relevant supply chain due diligence issues, modern slavery included.

Suppliers are also screened based on the risk and value of the contract as interpreted by Aveo. Where Aveo sees a heightened risk, the procurement and business dealings policy suggests carrying out further due diligence on the supplier by requesting that the supplier complete a comprehensive screening questionnaire relating to anti-bribery and corruption, modern slavery and other factors. Compliance with this requirement is one of the matters being reviewed and addressed by our continuous improvement program.

Aveo's new supplier screening process is currently under development and scheduled to be implemented in late 2022.

4. Identifying, assessing and addressing risks

Policy framework

Aveo operates within a policy framework that has been designed to ensure the highest standards of conduct and ethical behaviour, including in relation to modern slavery risks. This framework comprises:

Code of Conduct

- Our Code of Conduct states that Aveo will not work with suppliers and providers who engage in exploitative behaviours or modern-day slavery such as child labour, debt bondage, inhumane treatment of employees and forced or compulsory labour.

Supplier Code of Conduct

- The Supplier Code of Conduct sets out, among other things, certain minimum standards in relation to human rights, forced labour and inhuman treatment of workers, child labour, wages, benefits & working hours, and ethical business practices. These standards require Aveo's suppliers to comply with international and local obligations, such as the Universal Declaration of Human Rights and

standards set by the International Labour Organisation.

Group Procurement & Business Dealings Policy

- Our Procurement and Business Dealings Policy governs Aveo's approach to evaluating, selecting and dealing with suppliers. A key objective of the policy is to ensure responsibility and compliance for internal staff and our suppliers, including components such as Aveo's Supplier Code of Conduct and modern slavery.

Anti-Fraud, Bribery & Corruption Policy

- Aveo's Anti-Fraud, Bribery and Corruption Programme, and its constituent policies and procedures, have been developed to ensure high standards of conduct and ethical behaviour in all of our business activities. Individual and corporate entities associated with Aveo, which act for or on behalf of Aveo, or who perform functions in relation to or on behalf of Aveo are expected to have and comply with policies managing Fraud, Bribery and Corruption risk.

Whistleblower Policy and "Speak up" culture

- Aveo's Whistleblower policy has been designed to promote a safe and confidential environment where employees can raise genuine concerns regarding actual or suspected contraventions of our ethical and legal standards without fear of reprisal or discriminatory treatment. Whistleblowing reports can be made to eligible recipients through multiple channels, are confidential, and reporters can elect to remain anonymous.

The policies that directly address the issue of modern slavery include the Group Procurement and Business Dealings Policy, Code of Conduct and Supplier Code of Conduct. This policy framework is the foundational layer of Aveo's approach to address modern slavery risk in its operations and supply chains.

Standard contracts

One key action we have taken to address modern slavery risks is the inclusion of a modern slavery clause in all of Aveo's standard contracts.

Internal due diligence process

To identify and assess the level of modern slavery risk in our operations and supply chains, we have completed an internal due diligence process across all relevant business units to track progress on the identification and management of modern slavery risks. To ensure that information is current and relevant, another questionnaire will be circulated later this year, and at regular intervals thereafter. The due diligence process comprises a modern slavery questionnaire which is designed to assess modern slavery risk in each business unit's

dealings with its suppliers. Among other items, each business unit is asked to answer the following questions:

- how it approaches and selects suppliers;
- the type of due diligence it conducts on suppliers, including questions about any past modern slavery or human rights issues;
- whether it has ever terminated a supplier relationship because of modern slavery concerns;
- whether it uses outsourced labour providers; and
- the business unit's procedure for addressing its relationship with supplier if it suspects the supplier is in breach of a modern slavery obligation.

Supplier screening process

To better assess risks in our supply chain, Aveo has created a supplier screening process which assesses a variety of risk factors including modern slavery; anti-fraud, bribery and corruption; privacy; and sustainability.

As part of our continuous improvement program, we are currently reviewing our supplier screening process to more comprehensively address supply chain due diligence issues such as modern slavery. While the program is currently under development, it is expected that suppliers will be required to complete different levels of screening based on a number of criteria at Aveo's discretion, such as size or the presence of particular risk factors. As part of the new screening process, suppliers will be required to complete a questionnaire which includes questions on compliance with modern slavery obligations. The screening process will be conducted for new suppliers, potential suppliers or as part of a refresh for existing suppliers. The development and rollout of the new supplier screening process will be completed by the end of 2022. The new process will enable Aveo to provide more visibility on multiple areas which we are expecting to add into our next modern slavery statement.

Addressing risks

After reviewing the results of our internal and supplier due diligence investigations, we identified three business areas as presenting higher risks of modern slavery: Food and Catering Services, Development and those using outsourced labour (predominantly operations).

Food and Catering Services

- We recognise that the many suppliers involved in the Food and Catering supply chain make Aveo susceptible to indirectly using suppliers who may engage in modern slavery practices.

Labour Hire Services (procured by various business units, mainly operations, with support from Human Resources)

- We recognise that Aveo's use of outsourced labour providers makes it susceptible to indirectly using workers who may be subject to modern slavery practices.

Construction (Procured by various business units, mainly Development)

- We recognise that our builders often externally source materials or use offshore manufacturing plants that may engage in modern slavery practices, and that these suppliers are not audited in any structured or periodic way.

Aveo is enhancing its ability to manage modern slavery risks in these three business areas in three key ways:

- through the new supplier screening process currently under development;
- by implementing new processes and procedures to provide a greater degree of centralised oversight over the vetting, engagement and use of suppliers and labour hire service providers; and
- limiting the number of labour service providers that we engage with and commencing a tender process with the goal of identifying one or two key providers for the entire portfolio who meet all modern slavery requirements.

Responding to modern slavery risks during COVID-19

We recognise that COVID-19 exacerbates modern slavery risks, because of (among other things) the health risk, job insecurity or excessive overtime it may impose on workers. The pandemic, along with its related border closures and travel restrictions, has also destabilised or displaced migrant workers who are not afforded the same protections as citizens by the government.

The current COVID-19 crisis remains the most significant risk facing Aveo and demands continued management effort, particularly in relation to employee and resident safety, regulatory compliance, sales, resident experience, liquidity, business continuity and reputation management. Management remains vigilant and continues to adopt a proactive and agile COVID-19 pandemic response, congruent with prevailing government directives and industry recommendations. In particular, we have proactively taken steps to protect workers in our operations.

In light of the health risks posed by COVID-19, workplace safety remains Aveo's top priority. Aveo's Chief Risk Officer and COVID Response Lead has worked with stakeholders across operations, risk, safety and clinical governance to develop a robust and agile Pandemic Response Strategy.

Aveo's COVID Response Strategy broadly encompasses:

- Regular communications to staff and residents;
- Maintenance of a COVID resource library, including mental health support aids;
- PPE supplies including additional clinical resources;
- Deployment of Rapid Antigen Testing (RAT) at site for workers (and residents in the event of any outbreak);
- Mandatory COVID-19 vaccination for workers and suppliers;
- Control of visitor and third-party provider access, subject to State Government directives;
- QR code check-in and registration processes across our communities and corporate offices;
- Self-isolation protocols for residents and staff, as required, depending on their COVID-19 risk profile and test status;

- Workforce management and staff training on donning and doffing of PPE, infection prevention and control, and pandemic response;
- COVIDSafe Plans for food and beverage; sales tours; community operations; and
- 'Mask for a Task' PPE use in care delivery and food service.

Aveo has also established an internal COVID-19 Hotline. The Hotline is staffed by qualified enrolled nurses who triage calls and provide advice and instruction to Aveo staff and residents who report situations of exposure, sickness, COVID testing etc. Workforce alerts are automatically triggered when a call is logged by a staff member and they are placed on isolation/stay at home orders while recovering from illness or awaiting test results. The Hotline also makes outgoing follow-up/welfare calls to those persons who have reported sickness.

The Hotline triaged over 2,640 incoming calls in the twelve months to 31 December 2021. In the first quarter of 2022, in excess of 1,258 calls were received – largely associated with the Omicron variant and heightened transmission rates.

Over the course of the year, and in support of broader COVID response efforts, Aveo developed a Return to Office Strategy, with corporate workforces slowly beginning to return to normal office occupancy. These plans remained agile, and were altered from time to time, in accordance with Government directives and the prevailing risk landscape. Infection prevention and control activities, physical distancing, PPE use, RAT testing, QR Code registration and Aveo's COVID Hotline protocols remain in effect.

At a site level, all communities operate in accordance with Aveo's overarching pandemic response strategy and have appropriate outbreak management plans in place. This approach represents a natural evolution of the original "Community Response Manuals" developed at the commencement of the pandemic in 2020-21, which defined actions to be taken in accordance with different alert levels and risk conditions.

As conditions have changed rapidly and disparate approaches to societal restrictions have emerged, it has become necessary to accommodate localised responses that are commensurate with the risk level, cater to individual site needs, but adhere to a set of core pandemic response principles adopted by the organisation. In managing the pandemic this way, Aveo has remained agile and flexible in our approach to mitigating COVID risk – but always adopting a proactive and risk-conservative mindset.

This is in alignment with the embedding of a long-term strategic solution to adjust to a "new normal" beyond the immediate crisis is in place, and has strengthened Aveo's resilience and agility in safeguarding both resident and organisational interests.

5. Effectiveness

In line with our commitment to continuously improve our response to modern slavery risks, in 2022 we will progress our engagement with our suppliers and our business to develop methods of assessing the effectiveness of our actions in relation to modern slavery. This will include developing a suite of key performance indicators such as:

- in relation to our current programme of broadening and strengthening our supplier screening process, the proportion of our suppliers undergoing screening once the programme is rolled out;

- as we develop tailored training to be provided to the senior management group and key employees involved in recruitment and engagement of contractors, tracking of the completion rate of that training; and
- the number of grievances raised and remediated/resolved in relation to external parties (such as suppliers).

This process will be overseen by the Board's Audit and Risk Committee, which meets quarterly. Each committee meeting going forward will include consideration of Modern Slavery matters.

6. Consultation with Aveo group entities

To ensure that we are comprehensively managing our modern slavery risk, Aveo has consulted and collaborated with all relevant business units and entities forming part of its corporate group.

As part of the consultation process, we distributed questionnaires across key areas of the business to assess modern slavery risks in each relevant business unit, as detailed above in section 4. These questionnaires will be distributed on a regular basis to ensure that information is relevant and current.

7. Other relevant information

This Statement was prepared to satisfy the mandatory reporting criteria set out in the *Modern Slavery Act 2018*. The table below sets out where the Statement addresses each mandatory reporting criterion.

Mandatory reporting criterion	Aveo Modern Slavery Statement
1. Identify the reporting entity	Section 3 – Structure, Operations & Supply Chains
2. Describe the reporting entity's structure, operations and supply chains	Section 3 – Structure, Operations & Supply Chains
3. Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	Section 4 – Identifying, assessing and addressing risks
4. Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes	Section 4 – Identifying, assessing and addressing risks



<p>5. Describe how the reporting entity assesses the effectiveness of these actions</p>	<p>Section 5 - Effectiveness</p>
<p>6. Describe the process of consultation with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement)</p>	<p>Section 6 – Consultation with Aveo group entities</p>
<p>7. Provide any other relevant information.</p>	<p>Section 7 – Other relevant information</p>

Signed on behalf of Aveo Group Ltd by its Director:



 Tony Randello

31 March 2022

 Date