

Aveo Group: Modern Slavery Statement

1. Introduction

This is Aveo Group Limited's Modern Slavery Statement (**Statement**) for the reporting period 1 January 2022 to 31 December 2022. 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, Procurement, 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.

During the reporting period, the key action taken to identify, assess and address modern slavery risks included:

- The introduction of a new supplier screening process (Ethixbase) across key, high-risk areas of the business which enables risk assessment and management of suppliers and their supply chains, including in the area of modern slavery.
- An increasingly centralised approach to procurement with a larger internal procurement team that manage modern slavery risk in a more consistent manner across business units.
- The implementation of training on Modern Slavery risks for senior managers and key employees involved in recruitment and engagement of contractors.
- As part of the initial development of our Modern Slavery Statement and program, we issued a questionnaire to the heads of all business units designed to assess modern slavery risk in each business unit's dealings with its suppliers. As part of our ongoing internal due diligence and assessment of modern slavery risk, we have issued a follow-up questionnaire to ensure that information is current and relevant. Among other uses, the responses and results of this exercise will be used to inform the further deployment of the supplier screening process.

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 gains.



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) provide the following services: construction and facilities maintenance; professional services; labour hire services; and telecommunications and IT services.

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. Aveo has introduced clauses in our standard contracts requiring all suppliers to adhere to Aveo's policies on these issues.

Managing high-risk suppliers

Suppliers engaged for construction, maintenance and many operations services at our communities are where Aveo sees the greatest risk with regards to modern slavery. Aveo previously engaged a third-party vendor management provider to on-board and screen these suppliers, however this was brought in-house during 2022 and they will now be managed by the internal Facilities Management team using a system called Ethixbase. Throughout 2023, we will progressively roll out the use of Ethixbase to on-board, screen and manage these suppliers across the business.

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

A modern slavery clause has been included 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 completed an internal due diligence process across all relevant business units to track

progress on the identification and management of modern slavery risks. This information is updated at regular intervals with a questionnaire circulated to the head of each business unit which includes questions directed at:

- How that business unit approaches and selects suppliers;
- The type of due diligence conducted on suppliers;
- Whether a supplier relationship has been terminated because of modern slavery concerns; and
- Whether outsourced labour providers are used.

Supplier screening process

To better assess risks in our supply chain and to manage high-risk suppliers, Aveo has implemented a supplier screening process via the Ethixbase platform which assesses a variety of risk factors including: modern slavery; anti-fraud, bribery and corruption; privacy; and sustainability.

Please refer to the discussion above in the section entitled 'How Aveo deals with Suppliers'.

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 the following key ways:

- Through the Ethixbase supplier screening process;
- 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
- By limiting the number of labour service providers with whom we engage.



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 a significant risk for 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.

5. Effectiveness

In line with our commitment to continuously improve our response to modern slavery risks, in 2023 we will continue to progress our engagement with our suppliers and our business to develop and improve methods of assessing and monitoring the effectiveness of our actions in relation to modern slavery.

This process is overseen by the Board's Audit and Risk Committee, which meets quarterly.

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.

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
5. Describe how the reporting entity assesses the effectiveness of these actions	Section 5 - Effectiveness
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)	Section 6 – Consultation with Aveo group entities
7. Provide any other relevant information.	Section 7 – Other relevant information

Signed on behalf of Aveo Group Ltd by its Director:



Tony Randello

31 March 2023

Date