

2021
Modern
Slavery
Statement

December 2021

laser**clinics**

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Introduction

This statement is made on behalf of the Aesthetics Australia Holdings Pty Ltd (ACN 621 040 220), Aesthetics Australia Services Pty Ltd ACN 621 040 435, Aesthetics Australia Finance Pty Ltd, and Aesthetics Australia Group Pty Ltd ACN 621 040 640 (“the Reporting Entities”) pursuant to section 16 of the Modern Slavery Act 2018 (“the Act”) and constitutes our modern slavery statement for the financial year ended 30 June 2021 (“Reporting Period”).

The Reporting Entities and its subsidiaries are ultimately wholly-owned or 50% owned by Aesthetics Australia Holdings Pty Ltd (ACN 621 040 220) and traded during the Reporting Period under the names Laser Clinic Australia, Laser Clinics New Zealand, Laser Clinics UK, Skinstitut or Dr. Roebuck’s. In this report, all the Reporting Entities and its subsidiaries are referred to collectively as “Laser Clinics Group”.

Laser Clinics Group strives to uphold high standards of corporate integrity and responsible business conduct. We are opposed to modern slavery in our operations or supply chain and respect internationally recognised human rights. We strive to improve year on year in our capability to mitigate the risk of modern slavery and look forward to sharing our progress with stakeholders, our customers and the Australian Border Force in our annual modern slavery statements.

Our Structure & Operations

The Laser Clinics Group's principal place of business and registered office is located at Level 2, Unit 21, 39 Herbert Street St Leonards, New South Wales, Australia 2065.

During the Reporting Period, the Laser Clinics Group operated two distinct businesses divisions:

The logo for Laser Clinics, featuring the word "laser" in a lowercase sans-serif font and "clinics" in a bold lowercase sans-serif font, with a thin horizontal line underneath the entire text.

laser**clinics**

The logo for Dr Roebuck's, consisting of the words "DR ROEBUCK'S" in a bold, uppercase, sans-serif font.

DR ROEBUCK'S

The logo for Skinstitut, featuring the word "skinstitut" in a lowercase sans-serif font with a trademark symbol, and the tagline "where great skin lives" in a smaller, lowercase sans-serif font below it.

skinstitut™
where great skin lives

laserclinics

Since 2008, the Laser Clinics Group has operated a laser, skin care & cosmetic clinic network across Australia that provides safe laser hair removal, cosmetic injections and skin treatments. In July 2013, Laser Clinics Group commenced operating some of its clinics under a franchise business model.

During the Reporting Period, Laser Clinics Group operated 26 company-owned and 144 franchised clinics across New South Wales, ACT, Victoria, Queensland, South Australia, Western Australia, Tasmania, United Kingdom and New Zealand.

LCA Franchising Pty Ltd (ACN 150 499 595) is the franchisor entity that enters into all franchise agreements with franchisees in Australia. LCA Franchising Pty Ltd is wholly owned by LCA Operations Pty Ltd (ABN 89 600 736 212).

LCA Operations Pty Ltd is a 50% shareholder of all Australian franchisee entities within the Group.

LCA Operations Pty Ltd is also 100% shareholder in the following subsidiaries that are used to perform 'Support Office' or business operational and administrative functions for the Group and its franchise network:

- CCA Management Pty Ltd ACN 150 499 415: This corporation employs staff within the Laser Clinics Group and holds all leases for the corporation in Australia.
- CCA Leasing Pty Ltd ACN 149 186 103: This Corporation enters into leases with landlords of some clinics in the Australian clinic network

These subsidiaries provide managerial oversight and operational, marketing, information technology services, procurement services and business administration for the Laser Clinics Group's businesses in Australia, the United Kingdom and New Zealand.

In the United Kingdom, LSL Holco Limited (Co. number 10748000) is the franchisor entity that enters into all franchise agreements with franchisees. LSL Holco Limited is wholly owned by LCUK Operations Ltd (Co. number 12036613). LCUK Operation Ltd is wholly owned by LCA Operations Pty Limited and is a 50% shareholder of all United Kingdom franchisee entities within the Group.

In New Zealand, LCNZ Franchising Pty Limited (Co. number 689266773) is the franchisor entity that enters into all franchise agreements with franchisees. LCNZ

Franchising Pty Limited is wholly owned by LCNZ Operations Pty Limited (Co. number 6892794). LCNZ Operation Pty Limited is wholly owned by LCA Operations Pty Limited and is a 50% shareholder of all New Zealand franchisee entities within the Group.

The Laser Clinics Group uses its scale and buying power as a leading laser, skin care & cosmetics organisation within the market to purchase some goods and services for and on behalf of the corporate-owned and franchisee clinics within the global network.

It is important to note however that LCA Operations Pty Ltd, despite being a 50% shareholder, does not have day-to-day management and control of the operations and procurement of each franchisee entity in the Group. Therefore, the Group cannot specifically report on the modern slavery practices within each franchisee entities within the Group, but willingly and diligently reports on operational, labour and supply chain practices it implements and promotes through its powers as a shareholder and a franchisor to assess and address modern slavery practices within its franchisee network.

DRROEBUCK'S

skinstitut™
where great skin lives

Skinstitut was founded in 2008 and is the industry leader in affordable, high-performance cosmeceutical skincare. The operating company for the Skinstitut business is Skinstitut (Australia) Pty Ltd (ACN 137 842 883).

Dr. Roebuck's is an Australian prestige 'clean beauty' skincare business. The brand mantra is "minimal ingredients, maximum results" and this is manifested in a comprehensive range of clean, functional skincare products. The assets of the Dr. Roebuck's business were acquired by the Reporting Entities during the Reporting Period on or about 27 July 2020. The operating company of Dr. Roebuck's is DRR Skincare Pty Ltd (ACN 642 809 836).

Our Workforce

Laser Clinics Group – corporate owned and franchisee clinic

In the Reporting Period, Laser Clinics Group operated clinics in every Australian state and territory, the United Kingdom and New Zealand.

The Laser Clinics Group employs approximately 1,600 employees, a breakdown of which is shown in the table at right.

State or Territory	Number of Employees
Australian Capital Territory	75
New South Wales	622
Northern Territory	12
Queensland	357
South Australia	66
Tasmania	33
Victoria	342
Western Australia	102
United Kingdom	147
New Zealand	157

2. Our Workforce

The Laser Clinics Group employs team members on a full-time, part-time and casual basis – a breakdown of which is shown in the table at right.

Type of Employment	Number of Employees
Full Time	667 (41%)
Part Time	488 (30%)
Casual	456 (29%)

2. Our Workforce

Laser Clinics Group employees within its wholly-owned clinics complete the following roles:

Role	Duties
Receptionist	Receptionists are responsible for providing customer service to clients and assisting in the day-to-day operations of the clinic.
Therapist	Therapists are responsible for providing customer service, laser hair removal, body treatments and skin treatments to clients and assisting in the day-to-day operations of the clinic.
Assistant Manager	The Assistant Manager is responsible for managing the day-to-day operations of our clinic and overseeing our team of Therapists and Receptionists.
Clinic Manager	The Clinic Manager is responsible for managing the day-to-day operations of our clinic and overseeing our team of Therapists and Receptionists. The Clinic Manager is responsible for the clinic as a whole.
Aesthetic Consultant	Aesthetic Consultants are responsible for providing customer service, laser skin and hair removal treatments, skin, and body treatments and cosmetic injectable consultations, treatment plans and cosmetic injectable treatments to clients and assisting in the day-to-day operations of the clinic.
Cosmetic Injector	Cosmetic Injectors provide cosmetic injectable services including anti-wrinkle and fillers. Registered Nurses are engaged as Cosmetic Injectors on an independent contractor basis.

Our Workforce

Skinitut, Dr. Roebuck's and our Support Office

Employees who are employed to support the Skinitut and Dr. Roebuck's business division are primarily located in a central office space in St Leonards NSW. The skincare business also has an inventory and distribution centre in Seven Hills, NSW.

The Laser Clinics Group operates a corporate support office at the same location in St Leonards NSW which performs a number of corporate, operational and administrative functions for the Group, including: operations, marketing, information technology, legal, human resources, and finance. Our staff hold head office roles and are not consumer facing and do not provide services to consumers. We do not manufacture products.

The skincare business division and the support office, specifically CCA Management Pty Ltd, employs 110 employees, a breakdown of which is provided in the table at right.

State or Territory	Number of Employees
New South Wales	102
Queensland	2
Victoria	3
Western Australia	3

2. Our Workforce

The skincare division and support office employs team members on a full-time, part-time and casual basis – a breakdown of which is shown in the table at right.

State or Territory	Number of Employees
Full Time	91 (83%)
Part Time	7 (6%)
Casual	12 (11%)

Our Supply Chain

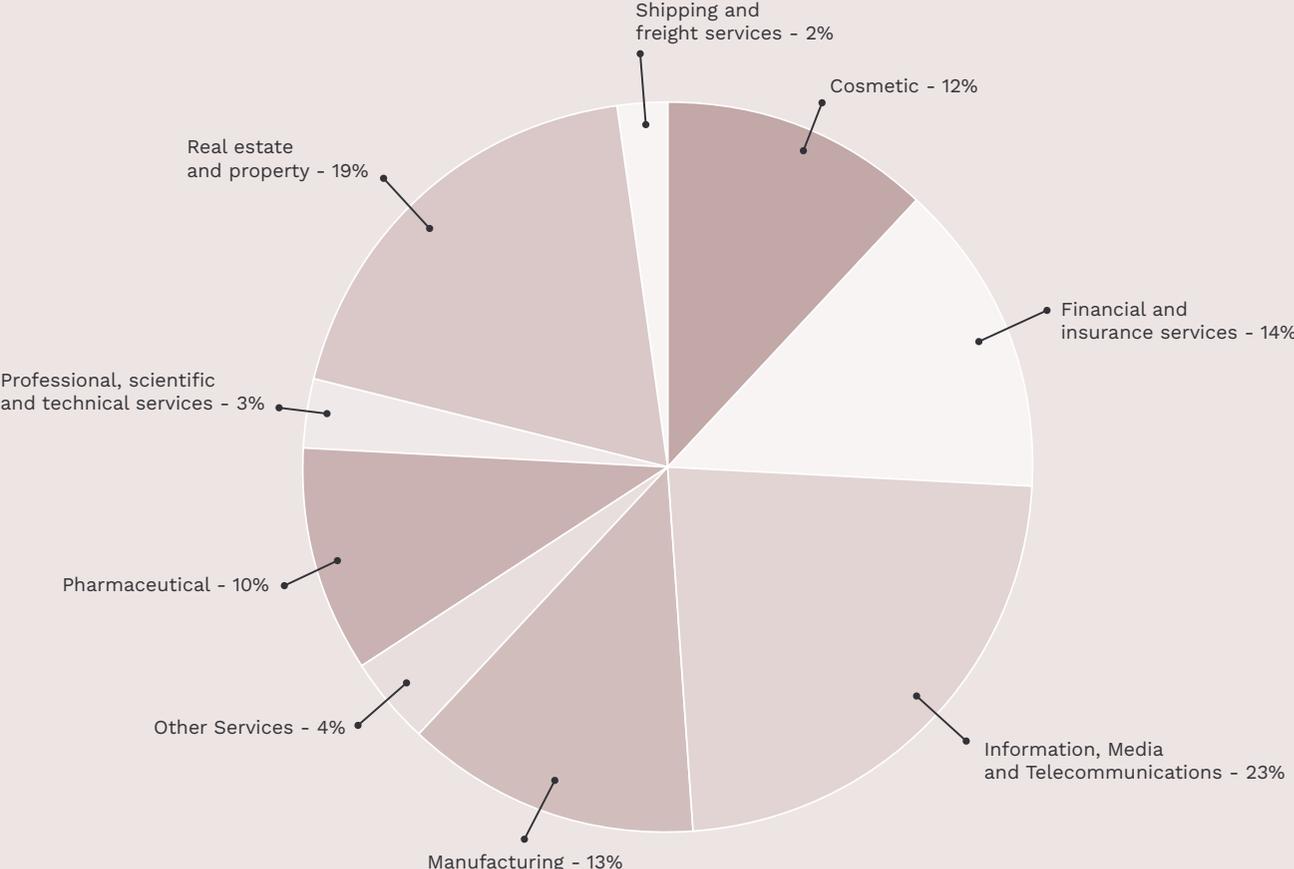
The goods and services (including labour) that contribute to the entity's own products and services are described at right.

<p>Laser Clinics Group</p> 	<p>The goods and services (including labour) that contribute to the operations of the Laser Clinics Group's company-owned and franchisee clinics include high standard medical grade equipment and services, razors, needles, bedsheets, pharmaceuticals such as dermal fillers and Botox and other products such as personal protective equipment (PPE) and rubber gloves. For the company-owned clinics, cleaning and laundry services are also procured.</p>
<p>Skinstitut & Dr Roebuck's</p> 	<p>The goods and services (including labour) that contribute to the operations of the Group's skincare division include chemicals and other raw material inputs such as Australian native or botanical extracts, manufacturing services, packaging, and branding and marketing services.</p>
<p>Support office</p>	<p>Suppliers supporting our head office operations include suppliers of IT and communications equipment and services, property office cleaning and other facilities management services transport such as airlines, freight, couriers marketing such as merchandise suppliers and conference providers office equipment and supplies and professional services such as auditors, accountants, consultants, law firms, banks, insurers, recruitment agencies, marketing agencies and public relations firms. The majority of our direct suppliers providing the goods and services supporting our head office function are based in Australia.</p>

3. Our Supply Chain

For the purposes of this Report, the Group nominated a reporting threshold of \$100,000 Australian dollars. During the Reporting Period, the Group had approximately 80 active suppliers with approximately \$55 million in total procurement expenditure.

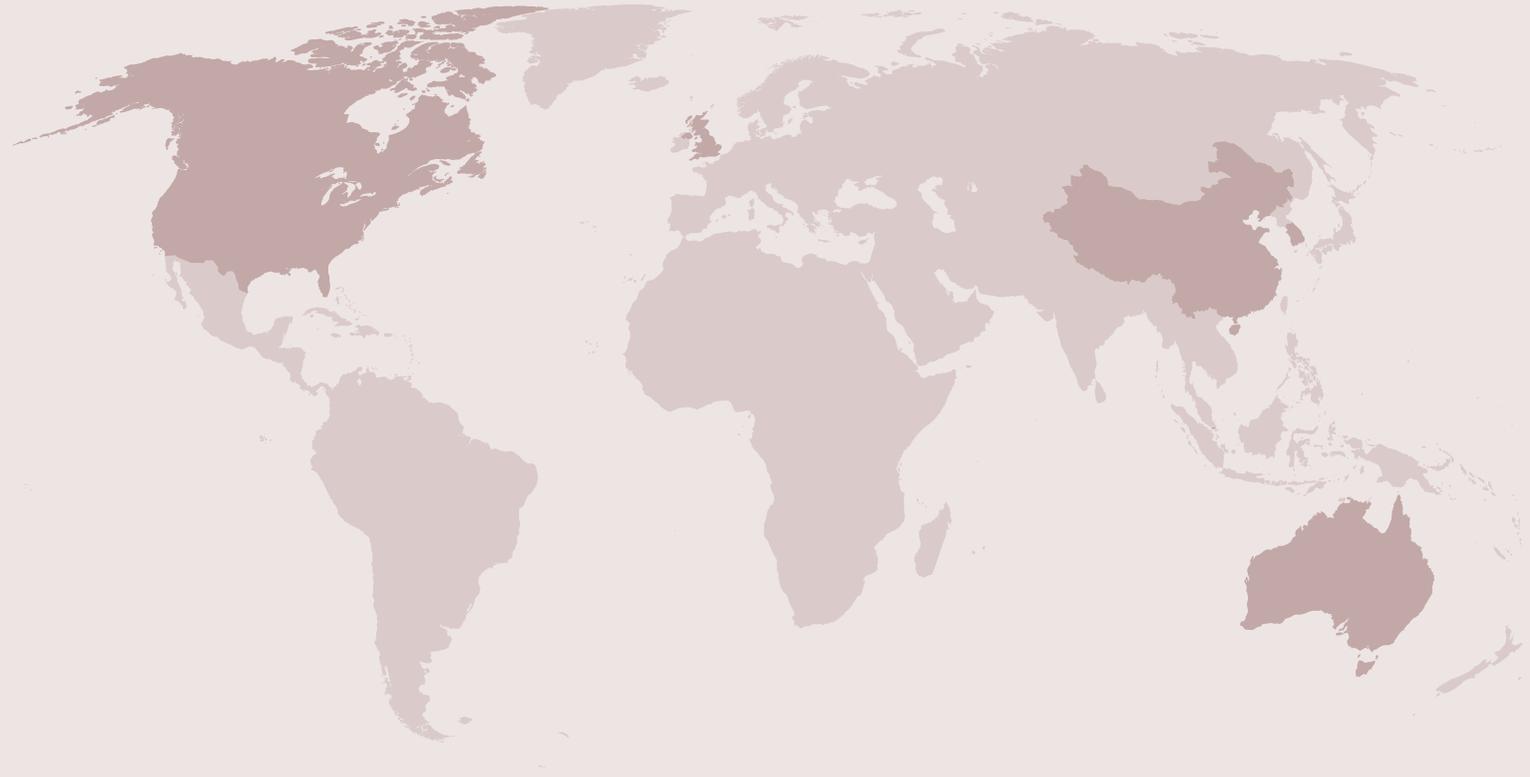
The categories of goods and services and the approximate spend with each category of goods and services is shown at right.



3. Our Supply Chain

The countries and regions where the Group procures its goods and services from is depicted below. This infographic identifies:

- the country of origin of entities that the Group contracts with
- where known, the country of origin of the goods and services



Country or region of origin for supply chain products and services

Modern slavery risks in our operations and supply chains

Our operations

We have assessed the potential for our operations to cause, contribute to, or be directly linked to modern slavery. We consider the overall risk of modern slavery in our operations, including those of our owned or controlled entities overseas, to be low given the contractual rights of our employees, the policies and procedures in place to ensure those rights are protected and the lower prevalence of modern slavery in Australia, New Zealand, and the UK. Furthermore, the types of roles performed by our workforce in all locations are not typically considered higher risk categories for modern slavery by virtue of the level of training and skills required to perform the roles.

4. Modern Slavery Risks

Supply Chains

We have also taken steps to assess the potential for our business to cause, contribute to, or be directly linked to modern slavery via our supply chain. In our view, it is unlikely that we have caused or contributed to modern slavery in our procurement of goods or services during the reporting period. However, we may unknowingly be connected to modern slavery practices through the activities of our suppliers and their supply chains.

Our supply chain comprises the following categories which carry higher risks for modern slavery and we recognise that modern slavery risks exist in each one of them by virtue of the industry risk profiles and the globalised and often complex supply chains supporting the provision of goods or services:

Category	Generally known modern slavery risks ¹
Medical supplies	A large percentage of the world's PPE is produced in countries with a higher prevalence of modern slavery risk. Some factories have been reported to be manufacturing rubber gloves and other rubber products using migrant workers making them work excessive overtime in unsafe conditions, where passports were confiscated, and high recruitment fees that keep them in debt bondage.
Pharmaceutical products	The pharmaceutical industry generally relies on high risk industries such as mining, agriculture and manufacturing that are associated with high risk geographical locations and that this risk applies to pharmaceutical companies lower down its global supply chains.
Medical grade equipment	The machinery we procure are manufactured under strict specifications of reputable companies. However, it is possible that some components may be manufactured by third parties in countries with a higher prevalence of modern slavery risk.
Manufacturing	There are inherent risks of modern slavery in the operations and supply chains within the manufacturing sector by virtue of the raw materials used in the manufacturing process as well as the utilisation of vulnerable workers. These risks can be heightened in certain jurisdictions associated with a higher prevalence of modern slavery.
IT equipment	Modern slavery risks are present in the supply chains that provide IT companies with the necessary materials to produce electronic goods, and parts of those goods. The manufacture of IT equipment has also been linked to modern slavery.
Cleaning and laundry	The cleaning industry is considered high-risk for modern slavery largely due to the nature of the workforce and the often opaque nature of operations. The cleaning sector does not require a qualification in many instances and as such the workforce is often low-skilled and not fluent in the local language.
Facilities maintenance	The prevalence of subcontracting in the facilities maintenance industry can lead to contractual liabilities and obligations diminishing to the point where the human rights of workers on site may go unnoticed due to a lack of transparency.
Travel services	Although global travel management services are typically the first tier suppliers for large companies, hotels and airlines inevitably form part of the supply chain for purchasers of travel services. A vulnerable workforce supporting these industries combined with complex supply chains result in greater modern slavery risks.
Postal and Courier Pick-up and Delivery Services	The machinery we procure are manufactured under strict specifications of reputable companies. However, it is possible that some components may be manufactured by third parties in countries with a higher prevalence of modern slavery risk.
Shipping and freight	We understand that there is a significant risk of modern slavery in shipping, which can involve crew being onboard for extensive periods and not being able to leave the ship.

¹ The risks outlined in this table are general and do not relate to any actual instances of modern slavery in the supply chain of our first tier suppliers.

Actions taken to assess and address modern slavery risks, including due diligence and remediation processes

In our operations

An overview of the steps we have taken to assess and manage modern slavery risk in our operations is set out below.

- We have considered the adequacy of our existing suite of workplace policies and procedures to assess, prevent and respond to modern slavery risks in our workforce.
- We monitored the reports made via our whistleblowing channels and confirm that we did not receive any reports which gave rise to cause for concern relating to human rights during the Reporting Period.

In Australia, the Group continued to ensure compliance with the employment law framework, which is primarily governed by:

- Modern Awards (which set out the minimum entitlements that employees must receive). Employees within Laser Clinics Australia are covered by the Hair and Beauty Industry Award (2010) and the Nurses Award (2010)
- The Fair Work Act (2009)
- The National Employment Standards (NES) which forms part of the Fair Work Act
- Common law employment agreements between the employer and employee

These industrial instruments determine the minimum rates of pay that an employee must receive to work within our clinics. Further, the Laser Clinics Group also offers employees rates of pay that exceed the minimum rates under the relevant Modern Award (referred to as a ‘flat rate’).

Remuneration within the skincare business division and the support office is benchmarked against:

- the active recruitment market
- AON Hewitt remuneration insights and data of the labour market
- any applicable Modern Award or industrial instruments that may apply to a particular role.

In our supply chain

We have taken steps in the right direction to better understand the modern slavery risks in relation to our direct suppliers:

- We engaged a subject matter expert to prepare a modern slavery questionnaire and supplier code of conduct to be implemented during the next reporting period.
- We considered the modern slavery statements of our key suppliers (where available on modernslaveryregister.gov.au) to gain insights into the risks they described in their statements.

If, hypothetically, it was found that our business had caused or contributed to modern slavery, we would take guidance from the United Nations Guiding Principles on Business and Human Rights, which provides that businesses in this situation need to remediate the impact by taking a person-centred approach protecting the safety, privacy and wellbeing of the affected person. We would seek to undertake a full investigation of the situation to ensure that an appropriate corrective action plan is implemented and assess how similar impacts could be avoided in the future.

Assessing the effectiveness of our actions

During the course of the next reporting period as the Group continues to establish and integrate its operations and supply chain policies and process, the Group will seek to:

- promote and disseminate our inaugural modern slavery statement to our people and reinforce our commitment to respecting human rights in our operations and supply chain.
- commence design, development and implementation of an end-to-end centralised procurement policy with supporting documentation and processes that enable the Group to better monitor and assess the modern slavery risks in the Group's operations and supply chain and identify, prevent, mitigate and account for incidences of modern slavery if identified. The processes to be implemented as part of this action will include:

- implementing our supplier code of conduct
- issuing the modern slavery questionnaire to suppliers and assessing the responses for areas of risk
- introducing modern slavery terms in our supply contracts and procurement terms and conditions
- providing training to our employees in our key function that conduct or support the procuring of goods and services for the Group regarding modern slavery red flags
- raising awareness of modern slavery risks with our employees and franchisees
- Continuing to monitor our grievance mechanisms to identify whether any reports reflect modern slavery incidents or risks.

The Group recognises the need to improve the way we assess, address, mitigate and prevent the risk of modern slavery. We aim to improve our capabilities and will seek to assess the effectiveness of our actions by achieving the goals we have set for ourselves during the next reporting period.

The process of consultation & approval

In order to prepare this statement, we consulted all companies that the Group has a 51% or greater shareholding or control. The governance of these entities is conducted by the Board of Directors of the Laser Clinics Group's ultimate parent company, Aesthetics Australia Holdings Pty Ltd, and the management of the day-to-day operations and supply chain of all of these entities is overseen by the Group's senior executive team the Group's support office.

The statement has been approved by the principal governing body of Aesthetics Australia Holdings Pty Ltd on behalf of each of the Reporting Entities and is signed by John Veitch, a responsible member of the principal governing body on 17 December 2021.

A handwritten signature in black ink, appearing to read 'John A. Veitch', with a stylized flourish at the end.

John Veitch

Director, Aesthetics Australia Holdings Pty Ltd
Chief Executive Officer, Laser Clinics Group

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